

APPENDIX III-1

Phase III Bond Release Application Horse Canyon Mine

FILE IN: Expandable 07052006

Refer to Record No. 0154
in 00090013, 2006, Incoming
for additional information

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Appendix III-1
Phase III Bond Release Application
Horse Canyon Mine

The purpose of this application is to request Phase III Bond Release for the Horse Canyon Mine including the Post Mine Land Use Change area with structures and buildings approved by the Division of Oil Gas and Mining (Division) on February 25, 2004. This application includes the lands included in the previous bond releases:

1. Phase I (51.56 acres) bond release for \$812,726 was approved by the Division on February 5, 1997.
2. Phase II (51.56 acres) bond release for \$191,672 was approved by the Division on April 11, 2002.

The only area not included in this application is a small 0.49 acre area on the Road Junction Refuse Pile shown on Map III-2A. This area consists of an access road to the channel that sustained storm runoff damage, and the channel repair area. The damaged channel will be repaired and the road will need to be opened up to access the damaged channel. Immediately after the repair work is completed, the area will be reclaimed and seeded during the first available seeding season.

Therefore, this application is for a total of 51.07 acres (51.56 acres Phase II area - 0.49 acres for the channel repair area and access road).

Application Format

This application is formatted following Technical Directive Tech - 006, Requirements for Phased Bond Release, March 1, 2001.

This application will present the appropriate Technical Directive section headings in bolded italics followed by responses as follows:

5. Procedure

Prior to Bond Release Request

Permit reclamation changes and post mine land use changes:

All permit revisions have been approved by the Division and incorporated into the MRP.

A Post Mine Land Use Change (PMLU) for 16.18 acres not included in the Phase I and Phase II bond release areas was submitted and later approved by the Division on

February 25, 2004 for a portion of the Horse Canyon Mine including buildings and areas donated to the College of Eastern Utah (CEU) under an Asset Assignment Agreement. The post mining land use change was added to the MRP as Appendix X-4 in Chapter X, Volume IV.

The Post Mine Land Use Change area can be seen on Exhibits A-1, A-2, A-3 and A-4 of the PMLU Change application (Appendix X-4, Volume IV of the MRP). The areas covered by this bond release application can be found on Plates III-2A thru III-2G attached to this application as Exhibit III-1-4 including the PMLU area and the areas covered by the approved Phases I and II bond releases. The base map for Plates III-2A through III-2F have been assembled by duplicating Plates III-1A through III-1F, Plate III-2G has been added to include small areas that extended off of Plates III-2A, and III-2B. Four (4) copies are include for insertion into the MRP document.

A copy of the Asset Assignment Agreement with CEU can be found in the Division files under the PLMU application, and as Exhibit III-1-1 of this application.

1. Certify Reclamation

As-build drawings (Plates III-1A thru III-1F) were submitted and approved as part of the Phase II bond release application; these plates have been incorporated into the MRP. Information adequate for Phase I and Phase II bond releases were previously submitted and accepted by the Division as evidenced by the approved Phase I and Phase II bond releases. The approved Post Mine Land Use Change referenced above modified the reclamation plan to leave the buildings, structures and areas as-is for use by the CEU. Therefore, that area, buildings and structures were not reclaimed.

Form C1 included with this application contains a notarized certification.

A statement certifying that all applicable reclamation activities have been accomplished in accordance with requirements of the R645 rules is included as Appendix III-1-8.

2. Provide agreements for structures remaining for post mine land use. Phase III Bond Release Area:

Exhibit III-1-1 to this application includes a signed copy of the Asset Assignment Agreement with the CEU for the post mine land use change area. The structures and areas not reclaimed, and left for post mine land use are shown on Maps III-2C, III-2D, and III-2F in the area designated on the maps, "Post Mine Land Use Change Area Donated To CEU." The structures and areas are described in detail in Appendix III-1-1 of this submittal, and in the Post Mine Land Use Change previously approved by the UDOGM.

0.02 Acre Area For Emery County Road Bridge Abutments and the Horse Canyon Road

On October 4, 1995, a Special Warranty Deed and Dedication Agreement between Intermountain Power Agency, and Emery County was executed giving Emery County rights to the Horse Canyon road for it's use as a public road (refer to Appendix I-6 in Chapter I, Volume I of the MRP). This agreement states that, "The road was established and used by the public to access public lands for recreational and ranching purposes prior to Grantor's improvement of the Road and use thereof for mining purposes." The road has been used by many landowners in Range Creek for decades to access their property, as well as property on the Tavaputs Plateau.

A copy of a letter from the Emery County Road Department, dated February 26, 1996 discussing the Horse Canyon road is included in Appendix I-6. This letter specifically says that Emery County understands that "...the right-of-way includes all structures within the legal description of the property." Further, the letter states, "The structures within the right-of-way also include the bridge that spans Horse Canyon Creek within the mine area."

The Emery County road has been clearly marked and labeled on all maps included in this application. The road includes a 100 foot wide strip centered on the Horse Canyon road, with wider sections where there are drainage structures, and where the bridge crosses the creek. As can be seen on the maps, areas where mining activity disturbed land within the road were reclaimed and have been included in Phases I and II bond releases.

The bridge abutments are necessary to support future expansion of the Horse Canyon Creek bridge, which is a part of the road. The current bridge is only one lane wide, and Emery County has indicated the need to widen the bridge to two lanes. The Horse Canyon road has been a public road for many decades, long before the SMCRA law came into being. Being a public road, it could not be reclaimed by UEI, or any of it's predecessors. Private property owners in Range Creek and on the Tavaputs Plateau rely on the road for access to their properties.

The approved postmining land use is Wildlife habitat for the major portion of the permit and surrounding areas. As stated in Chapter X of the MPR, on page X-4 Horse Canyon was historically used as a cattle trail, and on page X-16 it states that the road has existed since about 1899. This trail/road likely traversed up the canyon and over the mountain into Range Creek. Further documentation is discussed on page X-16. By necessity, use of the road by ranching requires access for domestic animals, and by ranchers and later when the road was established, their vehicles. Because of long established use, the trail, and then the road became public access to Range Creek and the Tavaputs Plateau. Even though this use may not have been fully discussed in the Horse Canyon Mine permits, it nevertheless existed and cannot be ignored. Court case precedence has been well established that common and long standing use of a trail, or road by the public must be maintained for the benefit of the public. Therefore, the Horse Canyon road would have to be left operational after mining ceased. As stated on page X-16 of the approved MRP,

"The public road currently in existence through the permit area will be retained during and following the mining and reclamation periods."

A Post Mining Land Use Change (PMLU) application for 16.18 acres of the mining area was submitted to the UDOGM and approved for Residential/Recreational for the area including the Horse Canyon Mine buildings. The land and buildings were donated to the Center for Mine Land Redevelopment, and the College of Eastern Utah for use as a science field camp. The Horse Canyon Road is necessary access to the PMLU area.

In view of the above discussion, the Horse Canyon road meets the post mining land use objectives. The bridge abutments are a necessary part of the bridge structure widening, and therefore they meet the post mining land use of Wildlife Habitat, and of Residential/Recreational.

6.5 Acre Borrow Area Disturbed and Not Reclaimed

Map III-2G shows the borrow pit area used to obtain soil materials for final reclamation. As can be seen on the map, the Western portion of the area was used as the borrow area, with the Eastern portion reserved for final reclamation of the buildings area. Since the buildings area was donated to the college of Eastern Utah, and a Land Use Change was approved by the UDOGM, the necessity for borrow from the Eastern area of the borrow pit was precluded. As can be seen by the contours of the Eastern area, no excavations, or removal of soils materials was done. In addition, mature vegetation including pinion and juniper trees in the area attest to the fact that the area has not been disturbed in the past several decades. A pre-law two-track road traverses this area, and it can be verified by the contours along this road that no disturbance has been done.

The Western portion of the borrow pit area was used for reclamation materials for the Horse Canyon Mine as discussed previously. This Western area was included in Phases I and II reclamation bond release, and is included in this Phase III bond release application. It is requested by this application to included both the Western and Eastern portions of the borrow pit for final Phase III bond release since all reclamation standards have been met for the Western portion, and the Eastern portion was never disturbed.

3. Address performance standards.

The land use change area and structures will be used by the CEU. The area has been donated in total including ownership of the property and therefore is removed from reclamation responsibility, although no bond reduction has been applied for. This Phase III bond release application includes the acreage, buildings and structures including the post mine land use change area as well as the areas reclaimed under the Phase I and Phase II bond releases. All pertinent requirements were addressed in the post mine land use change application.

Post Mining Landuse

The postmining landuse of Wildlife Habitat has been achieved by providing much better vegetation for foraging animals than exists in the undisturbed surrounding area. The attached vegetation reports verify that the vegetation reclamation standards have been met or exceeded.

The Horse Canyon Mine buildings and other areas were included in a postmining land use change to Wildlife and Residential/Recreational approved by the UDOGM, with the intent to be used by the CEU for a science field camp. Reclamation in the area provides a good environment for a science field camp by providing vegetation that will attract wildlife. In addition, the buildings and area will provide a base for science studies possibly including, vegetation, soils, geology, paleontology, archeology, and wildlife.

AOC Considerations

6.5 Acre area

As can be seen on Map III-2G, the contour lines in the 6.5 acre area not reclaimed or used for a borrow area for reclamation are quite irregular in nature, indicating that no excavation was conducted during reclamation of the Horse Canyon Mine. Two old pre-law roads criss-cross the area, and it can be seen by observing the contour lines that they have not been modified by borrow activities. In addition, mature vegetation and large mature trees in the area that no disturbance has been done in this area for decades. Since the area has not been disturbed, approximate original contour requirements for this area do not apply.

0.02 Acre area

The bridge abutments are included in the 0.02 acre area. They are located on the sides of Horse Canyon Creek, and are needed by Emery County for future widening of the bridge. The Horse Canyon Creek is a deeply incised canyon with very steep side walls in this area. This has likely been the case for this canyon for eons, and is typical of canyons in the general area. The bridge abutments do not alter the general shape of the canyon. Since the road is a public road, and the abutments are necessary to support widening of the bridge, the area meets approximate original contour.

Underground Mine Openings

Page IV-15 of the approved MRP states: "There are twelve openings within the Horse Canyon permit area that are sealed. The seals used are suitable for temporary closure or permanent reclamation".

Page II-8 of the approved Horse Canyon MRP states: "In the third quarter of 1986 all portals were sealed with solid block walls to prevent unauthorized entry of the mine. The seals used are suitable for temporary closure or permanent reclamation."

Page II-14 of the approved Horse Canyon MRP states: "All portals with the exception of the Lila Canyon east and west portals will be backfilled and revegetated during reclamation." Page II-14 goes on to state: "The Lila Canyon portals have been sealed with permanent masonry walls immediately back from the opening. The exterior fan facilities have already been removed. And the small pad which remains has been cleared of any mining equipment. Because of the remoteness and inaccessibility of the portals it is proposed that no further backfilling or reclamation take place at this location. There is no means of access to the portals other than foot travel, thus it would be impossible to regrade the small pad which remains. Natural sloughing of rock from above the portals has been noted, and it appears that eventually the portals will be covered by this rock fall."

A Minor Exploration Permit was approved by DOGM in January of 1992. This permit allowed for BXG, Inc. To breach the seals and explore the Horse Canyon mine. The exploration plan states: "This exploration is not being conducted by the owner or permit holder. Thus, no permit will be modified or revised."

BXG's Horse Canyon Exploration Project began in late August of 1992 with MSHA's approval of the Seal Breaching Plan and subsequent breaching of the Horse and Lila Canyon seals on August 26 and 27, 1992. Mine exploration began January 22, 1993, after MSHA approval of the mine Exploration Plan received on December 30, 1992. A resealing plan was submitted to MSHA on April 27, 1993 and approved May 14, 1993. The Lila and Horse Canyon seals breached in August, 1992 have been restored to original condition.

REQUEST FOR BOND RELEASE

I. A. Notarized signature

This application has been formatted as new Appendix III-1, Chapter III, Volume I of the MRP, and includes form C1 which includes a certification with notarization.

I. B. Notification letters

Exhibit III-1-2 includes copies of notification letters sent to the appropriate individuals and entities **included in the following list:**

ADJACENT PROPERTY OWNERS

Mr. Josiah K. Eardley
2433 So. Highway 10
Route 1, Box 119
Price, Utah 84501

Mr. Dave Stokes
Bronco Coal
340 South Carbon Ave. Suite 126
Price, Utah 84501

College Of Eastern Utah Foundation
451 East 400 North
Price, Utah 84501

GOVERNMENT AGENCIES

Mr. Bruce Andrews, Mayor
Sunnyside City
701 Market St.
Sunnyside, Utah 84539

Mr. Orlando LaFontaine, Mayor
East Carbon City
101 W. Geneva Dr.
East Carbon, Utah 84520

Mr. Drew Sitterud
Emery County Commission
95 East Main Street
Castle Dale, Utah 84112

Mr. Bill Krompel
Carbon County Commission
120 East Main St.
Price, Utah 84501

Department of Natural Resources
Division of Sovereign Lands & Forestry
1594 W. North Temple, Suite 3520
P.O. Box 145703
Salt Lake City, Utah 84114-5703

United States Department of The Interior
Bureau of Land Management
Mr. Mark Mackiewicz
125 South 600 West
Price, Utah 84501

Emery County Planning and Zoning Commission
PO Box 727
75 East Main St.
Castle Dale, Utah 84513

WATER & SEWER

Castle Valley Special Service District
86 South 100 East
Castle Dale, Utah 84513

I. C. NEWSPAPER ADVERTISEMENT

Exhibit III-1-3 includes a copy of the public notice required by R645-301-880-120. Poof of publication will be submitted following posting and receipt of signed affidavit of publication

I. D. PERMIT CONDITIONS

There are no outstanding permit conditions.

II. A. 1. Legal description of the permit area.

The permit area is shown on the Lila Point, and Cedar U.S. Geological Survey 7.5-minute Quadrangle maps. The areas covered in this Phase III Bond release application include 51.56 acres covered by the Phase I and Phase II bond releases as well as 6.5 acres at the borrow area which was partially disturbed during reclamation efforts in 1990 -1991 by removing some fill material for reclamation. This disturbance of the borrow area was reclaimed at that time and has not been disturbed since. In addition, 0.02 acres including the bridge abutments were retained by Emery County for the bridge providing access to the Horse Canyon County road. Also, 16.18 acres were donated to CEU, making a total of 74.26 acres included in this bond release application.

The complete permit legal description can be found in Chapter I, Volume 1 of the MRP. More specifically, the disturbed areas included in the reclamation bond are as follows:

Post Mining Land Use Change Area:

Township 16 South, Range 14 East, SLB&M

Section 3: Lots 3, 6, 11, 12

Section 4: NE4SE4, SE4SE4, NW4SE4, SW4SE4

Containing 16.18 acres.

Phase III Bond Release Areas:

Township 16 South, Range 14 East, Salt Lake Base & Meridian

Section 3

Lot 1, 2, 3, 5, 6, 7, 8, 9, 11, 12; N2SW4SW4, SW4SE4, NW4SW4, NE4SW4
N2SE4, SE4SE4

Section 4

SE4NE4, S2SW4, S2SE4NE4, Lot 9, SE4

Section 5

S2SE4SE4

Section 8

NE4NE4

Section 9

NW4NW4, NE4NW4, NW4NE4

Containing 58.08 acres of disturbed area.

II.A.2. Maps

All disturbed areas where reclamation has been completed are included in this Phase III Bond Release application. Those areas can be seen on Plates III-1A thru 1F, III-1A-1, III-B-1, III-1C-1, III-1D-1, and III-1G in Chapter III, Volume I of the MRP. The disturbed area boundary can also be seen on Plates II-1A and 1B in Chapter II, Volume I. Plates III-A thru III-1F have been revised to reflect the Phase III bond release request including the areas donated to CEU included in the PMLU and the areas previously reclaimed under the Phase I and Phase II bond releases, and can be seen in Exhibit III-1-4 of this application.

The maps included with this application show the topography of the area including reclaimed area topographic lines. The Emery County public road has been added to clearly designate it's location in relationship to areas reclaimed, and the area donated to the CEU. The donation area is clearly shown on Maps III-2C, III-D, and III-F.

II.A.3. Vegetation Sampling

Vegetation sampling was conducted in 2003 and 2004 for Phase III bond release evaluation. The sampling reports are included in this application as Exhibit III-1-5, Horse Canyon Vegetation Survey - 2003, and Exhibit III-1-6, Horse Canyon Mine Vegetation Survey - 2004. The Division was notified and consulted in this regard as stated in the 2003 sampling report included as Appendix III-1-5, Horse Canyon Vegetation Study - 2003. The vegetation meets the requirements of the standards as follows:

Quoting from the 2003 study report:

A vegetation inventory was conducted on 6 revegetation sites on the Horse Canyon Mine property between June and August, 2003. Data were collected regarding percent cover, percent cover by species, and woody plant density at each site. Data were also collected from a reference site located on Bureau of Land Management property adjacent to mine property. Revegetation sites were compared to the reference area with respect to cover and woody plant density to determine similarity. All sites cover averages exceed the cover average for the reference site and should be judged to have satisfactorily exceeded minimum requirements with respect to cover. Woody plant density in all revegetated sites exceeded woody plant

density in the reference area. Species diversity was also higher in all revegetated areas when compared to the reference area.

Quoting from the 2004 study report:

A vegetation inventory was conducted on 6 revegetation sites on the Horse Canyon Mine property between June and August, 2003. Data were collected regarding percent cover, percent cover by species, and woody plant density at each site. Data were also collected from a reference site located on Bureau of Land Management property adjacent to mine property. Revegetation sites were compared to the reference area with respect to cover and woody plant density to determine similarity. All sites cover averages exceed the cover average for the reference site and should be judged to have satisfactorily exceeded minimum requirements with respect to cover. Woody plant density in all revegetated sites exceeded woody plant density in the reference area. Species diversity was also higher in all revegetated areas when compared to the reference area. Life form similarity comparisons indicated that in almost every case, the revegetated areas exceeded the 70% standard with respect to percent cover.

II.A.4. Reclamation treatments, areas and work accomplished

The following MRP Chapters address the information required:

Reclamation areas and plan	Chapter 3, Volume I
Postmining Topography	Chapter 3, Volume I
Drainage Control	Chapter 3, Volume I
Vegetation	Chapter VIII, Volume IV
Land Use	Chapter X, Volume IV
*** The Post Mine Land Use Change including the CEU donation area is included in Appendix X-4.	

Roads

All roads were reclaimed except for the Horse Canyon public road. All reclaimed roads are included on the maps in the areas designated "Phase III Reclaimed Areas." The roads were reclaimed according to the approved MRP. A short road will be needed to access the Road Junction Refuse Pile channel that sustained storm damage as shown on Map III-2A. This road will be opened up to access the channel for repairs and will be immediately

reclaimed and seeded during the first available reclamation season according to the approved MRP.

II.A.5. Mining history and reclamation activities

The Horse Canyon Mine was initially opened by the Defense Plant Corporation in 1942 as a source for coal for the Geneva Steel Works in Orem, Utah. The mine was sold to U.S. Steel in 1946, who operated it until January 1984, when mining was permanently suspended. U.S. Steel submitted a mining and reclamation permit application in March, 1981. In October 1982, U.S. Steel informed the Division that it was temporarily suspending mining operations, and in January 1984 permanent suspension was announced.

In November 1984, Kaiser Steel Corporation purchased the mine property and submitted a reclamation bond in the amount of \$918,649, and indicated to the Division that it would maintain the operations in a temporary suspension status until further corporate decisions were made. In February 1987, Kaiser Coal, successor to Kaiser Steel filed a petition for bankruptcy under Chapter 11, Title 11, of the U.S. Bankruptcy Code. Intermountain Power Agency (IPS) acquired the mine and the permit was transferred to IPA in August 1990. IPA was issued a mining and reclamation plan on May 6, 1991, and a reclamation bond in the amount of \$1,950,000 was issued in the form of a letter of credit.

Reclamation work proceeded on 51.56 acres of the 74.26 acres in 1990 and 1991. Phase I bond release was granted on February 5, 1997 for \$812,276. Phase II bond release application was submitted on December 19, 1997.

UtahAmerican Energy, Inc. acquired the mine from IPA on December 21, 1998. Phase II bond release was granted on April 11, 2002.

II.A.6. Extended Responsibility

There is ~~no~~ **only area of** extended responsibility period for the Horse Canyon Mine **is shown on Map III-2A consisting of a short access road to the channel that sustained storm runoff damage, and the channel repair area. This area and road consist of 0.49 acres.**

II.A.7. Remaining sediment control structures

There are no remaining sediment control structures that need to be removed.

II.A.8. Schedule and cost estimate for remaining reclamation

Phase II Bond release has been granted, this application is for Phase III bond release, completing the reclamation process, **except for the 0.49 acre area on the Road Junction Refuse Pile where the channel will be repaired. Therefore, there is no remaining**

~~reclamation responsibility after Phase III bond release being granted.~~

With the post mine land use change for the CEU donation, all un-reclaimed facilities and land have been removed from permit responsibility.

II.A.9. Summary of bond acreages, dates of bond releases

Date	Status	Amount	Acreages
11 Nov 84	Initial Kaiser Bond	\$ 918,649	74.26 Disturbed
6 May 91	IPA Bond	\$ 1,950,000	74.26 Disturbed
5 Feb 97	Phase I Bond Release (IPA)	\$ 812,726	74.26 - 51.56 = 22.7 Balance
15 Sept 98	Intital Horse Canyon Bond (UAE)	\$ 1,137,726	22.7 Disturbed Remaining
24 Jan 01	Adjustment at permit renewal by \$115,274	\$ 1,253,000	22.7 Disturbed Remaining
11 Apr 02	Phase II Bond Released \$191,672	\$ 1,061,328	22.7 Disturbed Remaining
25 Feb 04	Post Mine Land Use Change Approved including 16.18 acres	No Change	22.7 -16.18 = 6.52 Remaining ^A
	Phase III Bond Release Application	\$1,051,328	74.26-0.49 = 73.77 Ph III
	Road Junction Refuse Pile Channel & Access Road	\$10,000	0.49 Remaining

^A Refer to Section II.A.1 on page 2 of this application for an explanation of the 6.5 acres.

LIST OF ADDRESSES

ADJACENT PROPERTY OWNERS

GOVERNMENT AGENCIES

LOCAL AGENCIES

LOCAL WATER COMPANIES

ADJACENT PROPERTY OWNERS

Mr. Josiah K. Eardley
2433 So. Highway 10
Route 1, Box 119
Price, Utah 84501

Mr. Dave stokes
Bronco Coal
340 South Carbon Ave. Suite 126
Price, Utah 84501

College Of Eastern Utah Foundation
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Department of Natural Resources
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P.O. Box 145703
Salt Lake City, Utah 84114-5703

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Emery County Planning and Zoning Commission
PO Box 727
75 East Main St.
Castle Dale, Utah 84513

WATER & SEWER

Castle Valley Special Service District
86 South 100 East
Castle Dale, Utah 84513

UtahAmerican Letterhead

Date

Mr. Josiah K. Eardley
2433 S Highway 10
Route 1, Box 119
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr. Eardley,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

The Phase III bond release application is for Surety #4892 for \$1,051,328 and covers a total of 73.77 acres, including 16.18 acres donated to the College of Eastern Utah Foundation. The areas donated to the College of Eastern Utah are covered under an approved post mine land use change, from Wildlife to Residential/Recreation. The remaining 0.49 acres in Surety #4892 for \$10,000 will remain for the Road Junction Refuse Pile channel and access road.

Reclamation of the 51.65 remaining acres was completed in 1991, and meets the requirements of the regulations for post mine land use of Wildlife Habitat, including stabilization of lands, restoration of drainages, and vegetation establishment. After the 1991 reclamation, storm damaged the Road Junction Refuse Pile channel requiring channel repairs including an access road to the channel for a total of 0.49 acres which will remain under Surety #4892.

Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

UtahAmerican Energy

Date

Page 2

In summary: 51.56 (acres included in Phase I and Phase II bond release)
16.18 (acres donated)
6.50 (acres identified for future disturbance but never disturbed)
.02 (bridge abutments within Emery County Road ROW)
74.26 Acres
-0.49 (Acres remaining under Surety #4892 for Road Junction Refuse Pile channel
and access road)
73.77 Acres (total acres within the disturbed area for Phase III bond release)

Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Utah Division of Oil, Gas and Mining, Attention: Pamela Grubaugh-Littig, Permit Supervisor, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Mr. Dave Stokes
Bronco Coal
340 South Carbon Ave. Suite 126
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr. Stokes,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

The Phase III bond release application is for Surety #4892 for \$1,051,328 and covers a total of 73.77 acres, including 16.18 acres donated to the College of Eastern Utah Foundation. The areas donated to the College of Eastern Utah are covered under an approved post mine land use change, from Wildlife to Residential/Recreation. The remaining 0.49 acres in Surety #4892 for \$10,000 will remain for the Road Junction Refuse Pile channel and access road.

Reclamation of the 51.65 remaining acres was completed in 1991, and meets the requirements of the regulations for post mine land use of Wildlife Habitat, including stabilization of lands, restoration of drainages, and vegetation establishment. After the 1991 reclamation, storm damaged the Road Junction Refuse Pile channel requiring channel repairs including an access road to the channel for a total of 0.49 acres which will remain under Surety #4892.

Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

Enclosure

UtahAmerican Letterhead

Date

College of Eastern Utah Foundation
451 East 400 North
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

To Whom It May Concern,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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Reclamation of the 51.65 remaining acres was completed in 1991, and meets the requirements of the regulations for post mine land use of Wildlife Habitat, including stabilization of lands, restoration of drainages, and vegetation establishment. After the 1991 reclamation, storm damaged the Road Junction Refuse Pile channel requiring channel repairs including an access road to the channel for a total of 0.49 acres which will remain under Surety #4892.

Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

UtahAmerican Energy

Date

Page 2

In summary: 51.56 (acres included in Phase I and Phase II bond release)
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-0.49 (Acres remaining under Surety #4892 for Road Junction Refuse Pile channel
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73.77 Acres (total acres within the disturbed area for Phase III bond release)

Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Utah Division of Oil, Gas and Mining, Attention: Pamela Grubaugh-Littig, Permit Supervisor, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Mr. Orlando LaFontaine, Mayor
East Carbon City
101 West Geneva Dr.
East Carbon, Utah 84520

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mayor LaFontaine,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

United States Department of The Interior
Bureau of Land Management
Mr. Mark Mackiewicz
125 South 600 West
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr. Mackiewicz,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Mr. Bill Krompel
Carbon County Commission
120 East Main St.
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Commissioner Krompel,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

**Department of Natural Resources
Division of Sovereign Lands & Forestry
1594 W. North Temple, Suite 3520
P.O. Box 145703
Salt Lake City, Utah 84114-5703**

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Sirs,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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UtahAmerican Energy

Date

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Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Mr. Bruce Andrews, Mayor
Sunnyside City
701 Market St.
Sunnyside, Utah 84539

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mayor Andrews,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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Page 2

Enclosure

UtahAmerican Letterhead

Date

**Mr. Drew Sitterud
Emery County Commission
95 East Main Street
Castle Dale, Utah 84112**

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr. Sitterud,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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Enclosure

UtahAmerican Letterhead

Date

Emery County Planning & Zoning Commission
PO Box 727
75 East Main St.
Castle Dale, Utah 84513

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

To Whom It May Concern,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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UtahAmerican Energy

Date

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Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Utah Division of Oil, Gas and Mining, Attention: Pamela Grubaugh-Littig, Permit Supervisor, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Mr. Darrel Leamaster
Castle Valley Special Service District
86 South 100 East
Castle Dale, Utah 84513

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr Leamaster,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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UtahAmerican Energy
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Sincerely,

Jay Marshall
Project Engineer

Enclosure

Public Notice

Application for Phase III Bond Release

**Horse Canyon Mine
UtahAmerican Energy, Inc.
Permit C/007/013, Renewed 5/6/2001
Emery County, Utah**

Notice is hereby given that UtahAmerican Energy, Inc., 153 Highway 7 South, Powhatan Point, Ohio 43942, with R. Jay Marshall as Resident Agent, P.O. Box 986, Price, Utah 84501, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for a Phase III bond release on all disturbed lands currently in Permit C/007/013 except for 0.49 acres at the Road Junction Refuse Pile pursuant to R645-301-880 and R645-301-400 of the Utah Coal Program Regulations. The permit area is shown on the Cedar and Lila Point U.S. Geological Survey 7.5-minute Quadrangle maps. The permit area affected is located in Emery County and Carbon County, Utah as follows:

Township 16 South, Range 14 East, Salt Lake Base & Meridian

Section 3

Lot 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, N2SW4SW4, SW4SE4, NW4SW4, NE4SW4, N2SE4 SE4SE4

Section 4

SE4NE4, S2SW4, S2SE4NE4, Lot 9

Section 5

S2SE4SE4

Section 8

NE4NE4

Section 9

NW4NW4, NE4NW4, NW4NE4



The Phase III bond release application is for Surety #4892 for \$1,051,328 and covers a total of 73.77 acres, including 16.18 acres donated to the College of Eastern Utah Foundation. The areas donated to the College of Eastern Utah are covered under an approved post mine land use change, from Wildlife to Residential/Recreation. The remaining 0.49 acres in Surety #4892 for \$10,000 will remain for the Road Junction Refuse Pile channel and access road.

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In summary:

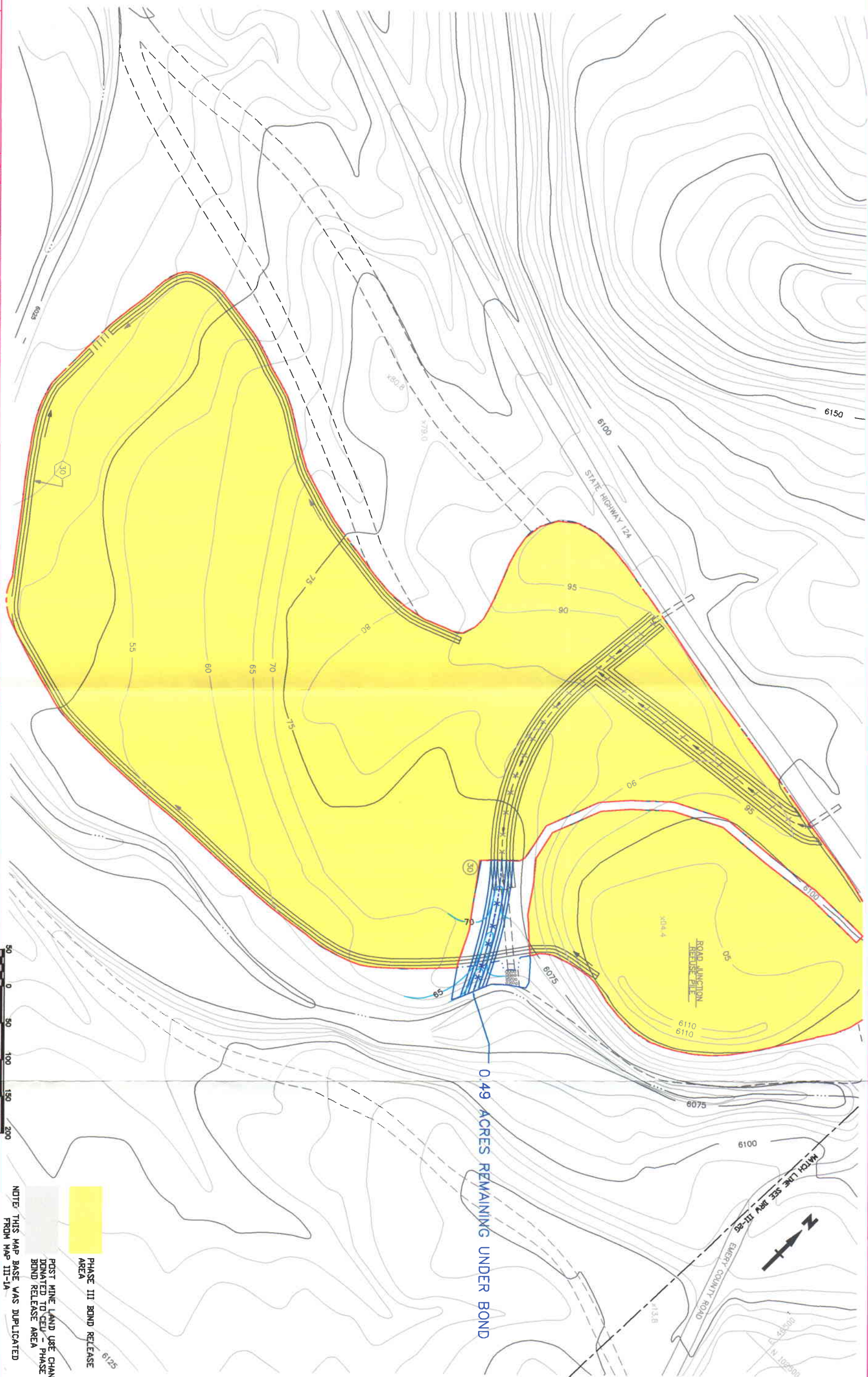
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<u>73.77</u>	Acres (total acres within the disturbed area for Phase III bond release)

Written comments, objections and requests for an informal conference on this proposal may be addressed to:

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for an informal conference on this proposal must be submitted by _____.

Published in the Sun Advocate - _____, and the Emery County Progress - _____.



NO	DATE	REVISION
1	7/28	ADDED 0.49 ACRE AREA
2		
3		
4		
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7		
8		
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10		

PROFESSIONAL SEAL
B. L. GRIMES
REGISTERED PROFESSIONAL ENGINEER
STATE OF UTAH
No. 1111
EXPIRATION DATE 12/31/2011

1. FOR LEGEND SEE PLATE W-1, VOL. 2.
2. THIS MAP IS BASED ON 1988 AERIAL PHOTO BY INTER MOUNTAIN TECHNICAL SERVICES, INC. OF GRAND JUNCTION, COLORADO.
3. DATA IS FROM SEA LEVEL.
4. COORDINATE SYSTEM IS KAMEN STEEL LOCAL.
5. INTERIOR AND PERIMETER TOPOGRAPHY DESIGNED AND DEVELOPED BY J.C. KAMEN ENGINEERING, INC., 1980-1981.
6. COMPLIANCE TOPOGRAPHY DESIGN AND DEVELOPMENT MONITORING AND PROVIDED BY KAMEN ENGINEERING, INC.

SCALE	1"=50'-0"	DATE
DESIGNED BY	B. L. GRIMES	10-25-88
DRAWN BY		
CHECKED BY		
APPROVED BY		
DATE		

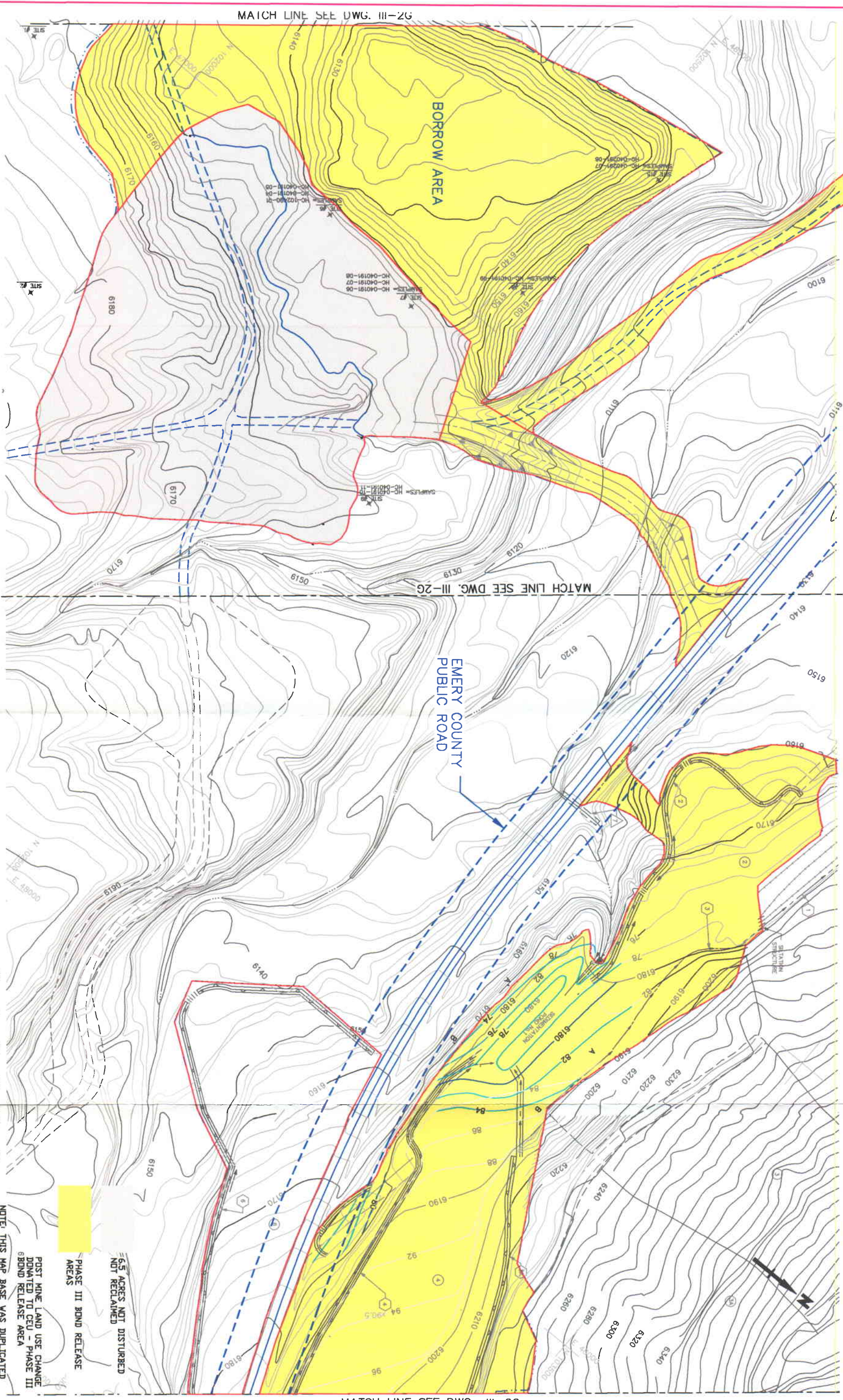
UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

PHASE III BOND RELEASE AREAS
HORSE CANYON MINE

NOTE: THIS MAP BASE WAS DUPLICATED FROM MAP II-1A

BLANCKEN, ALLEN & LUTCH, INC.
100 S. CENTRAL AVE., SUITE 200 - P.O. BOX 1000
ST. GEORGE, UTAH 84770

JOB NO. 304.01.100
DWG. NO. III-2A



MATCH LINE SEE DWG. III-2G

MATCH LINE SEE DWG. III-2C

MATCH LINE SEE DWG. III-2C

NO.	DATE	REVISION
1	10/05	PHASE III BOND RELEASE
2	7/05	ADDED COUNTY ROAD & E.S. ADJ. AREA



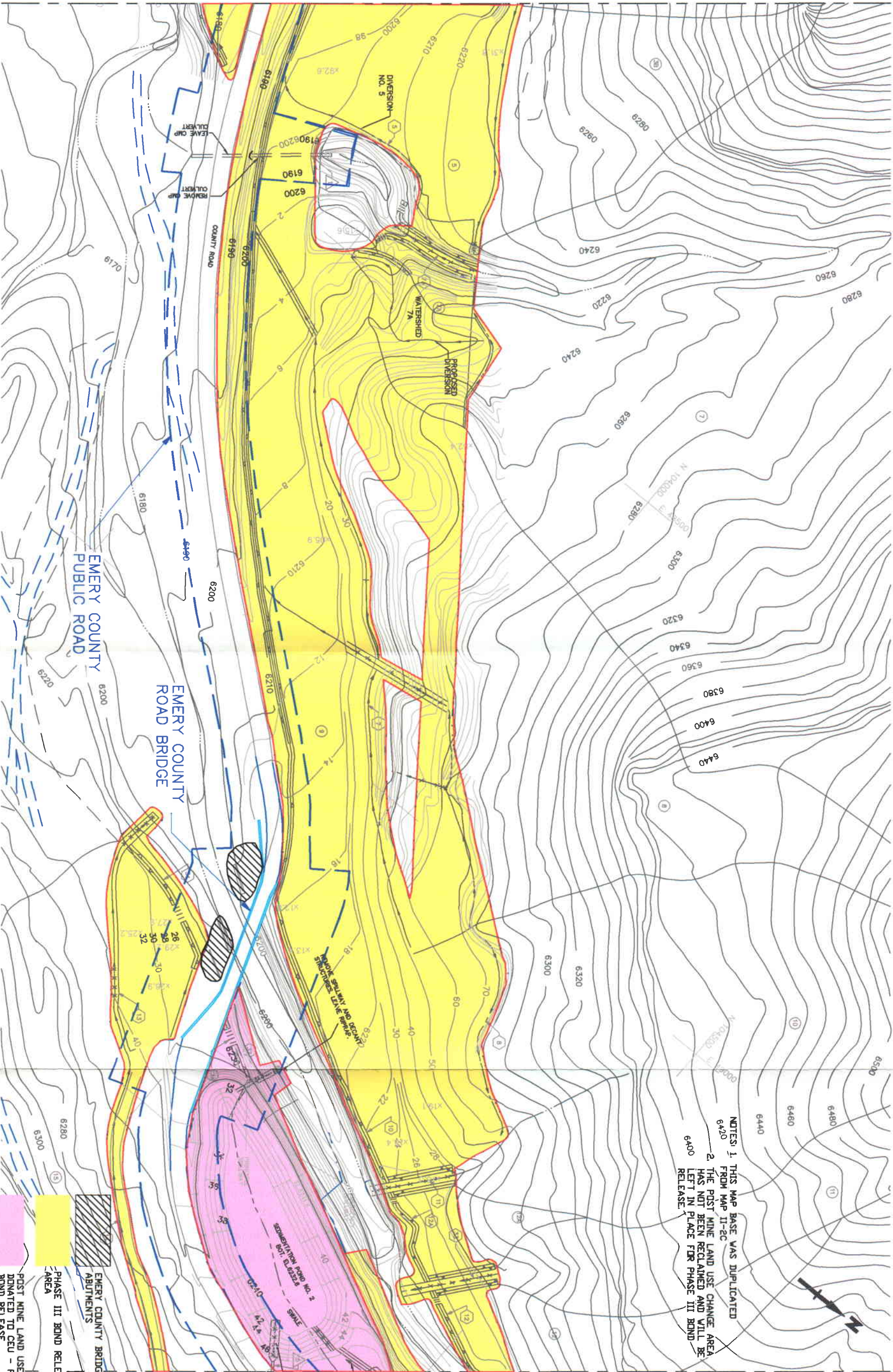
FOR ADDITIONAL LISTED SEE PLATE V-3, VOL. 1.
1. TYPE BASED ON 1995 AERIAL PHOTO BY AERIAL PHOTOGRAPHIC SERVICES, INC. OF GRAND JUNCTION, COLORADO.
2. DATA IS 1995 SEA LEVEL.
3. OCCUPANT SYSTEMS & ROAD DESIGN LOCAL.
4. WRITING AND FINAL REVISIONS TOPOGRAPHY DESIGNED AND DEVELOPED BY G.P. KASPER ENGINEERS, INC., 1995-1997.
5. COMPLIANCE THROUGHOUT DESIGN AND DEVELOPMENT WORKS AND PROVIDED BY KASPER ENGINEERS, INC.

SCALE	1"=50'-0"	DATE
DESIGNED	B.A. GRIMES	10-05-05
DRAWN	B.A. GRIMES	10-05-05
CHECKED	B.A. GRIMES	10-05-05
APPROVED	B.A. GRIMES	10-05-05

UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

PHASE III BOND RELEASE AREAS
HORSE CANYON MINE
JOB NO. 304.01.100
DWG. NO. III-2B

MATCH LINE SEE DWG. III-2B



NOTES: 1. THIS MAP BASE WAS DUPLICATED FROM MAP II-2C
2. THE POST MINE LAND USE CHANGE AREA HAS NOT BEEN RECLAIMED AND WILL BE LEFT IN PLACE FOR PHASE III BOND RELEASE.

MATCH LINE SEE DWG. III-2D

NO.	DATE	REVISION
1	7/78	ADDED COUNTY ROAD
2	10/85	PHASE II BOND RELEASE
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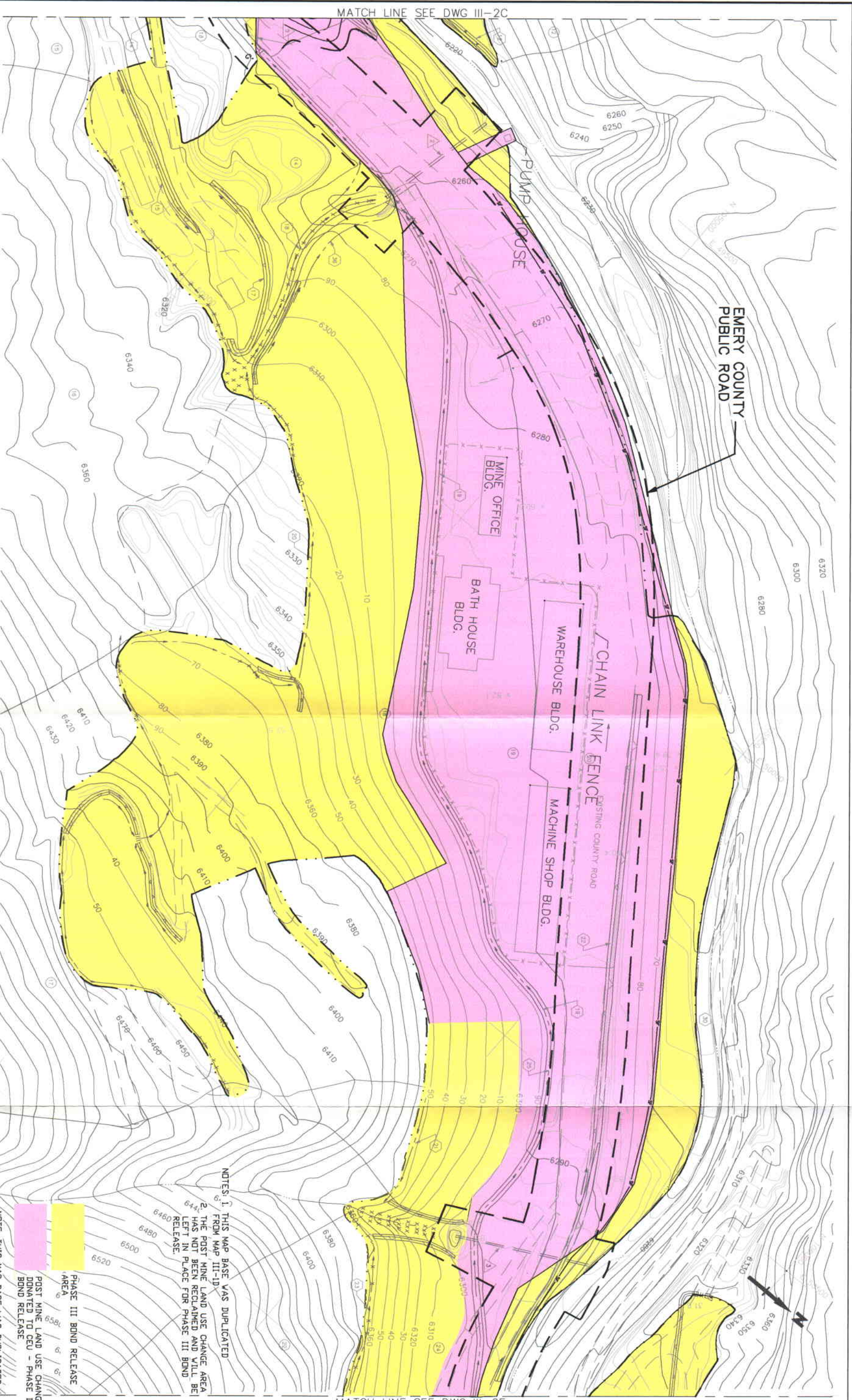
FOR ADDITIONAL LEGEND SEE PLATE V-1, VOL. 1.
1. THIS MAP IS BASED ON AERIAL PHOTO BY EMERY COUNTY TECHNICAL SERVICES, INC. OF GRAND JUNCTION, COLORADO.
2. DATUM IS 1983 SEA LEVEL.
3. COORDINATE SYSTEM IS NAD83 UTM ZONE 12N.
4. ELEVATION AND FINAL RECLAMATION TOPOGRAPHY DESIGNED AND DEVELOPED BY UTAHAMERICAN ENERGY, INC., 1985-1991.
5. COMPLIANCE TOPOGRAPHY DESIGN AND DEVELOPMENT ACCORDING TO AND PROVIDED BY EMERY COUNTY ENGINEERING, INC.

SCALE	1"=50'-0"	DATE
DESIGNED	B.A. GRIMES	10-25-85
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CHECKED		
APPROVED		
DATE	10-25-85	

UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

PHASE III BOND RELEASE AREAS
HORSE CANYON MINE

JOB NO.	DWG. NO. III-2C
EMERY COUNTY ROAD BRIDGE ABUTMENTS	
EMERY COUNTY ROAD BRIDGE PIER	
EMERY COUNTY ROAD BRIDGE SPILLWAY	
EMERY COUNTY ROAD BRIDGE STRUCTURE	
EMERY COUNTY ROAD BRIDGE FILL	
EMERY COUNTY ROAD BRIDGE DRAINAGE	
EMERY COUNTY ROAD BRIDGE EROSION CONTROL	
EMERY COUNTY ROAD BRIDGE LAND RECLAMATION	
EMERY COUNTY ROAD BRIDGE LAND USE CHANGE	
EMERY COUNTY ROAD BRIDGE LAND RELEASE	



MATCH LINE SEE DWG III-2C

MATCH LINE SEE DWG III-2E

NO.	DATE	REVISION	NOTES
1	7/08	ADDED COUNTY ROAD	
2	10/08	PHASE III BOND RELEASE	
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FOR LEGEND SEE PLATE V-3, VOL. 1
TOPO BASED ON 1989 AERIAL PHOTO BY INTER MOUNTAIN TECHNICAL SERVICES, INC. OF GRAND JUNCTION, COLORADO.
DATE IS 1989 SEA LEVEL.
CORRELATE SYSTEM IS NAD83 UTM LOCAL.
INTERMOUNTAIN AND FINAL REGULATION TOPOGRAPHY DESIGNED AND DEVELOPED BY G. KASPER ENGINEERS, INC., 1980-1991.
COMPLIANCE TOPOGRAPHY DESIGN AND DEVELOPMENT APPROVED AND PREPARED BY KATHYFAK ENGINEERING, INC.

SCALE	1"=50'-0"	DATE
DESIGNED	BY	DATE
BY	B. A. CRIMES	10-05-08
CHECKED	BY	DATE
APPROVED	BY	DATE
DATE	DATE	DATE

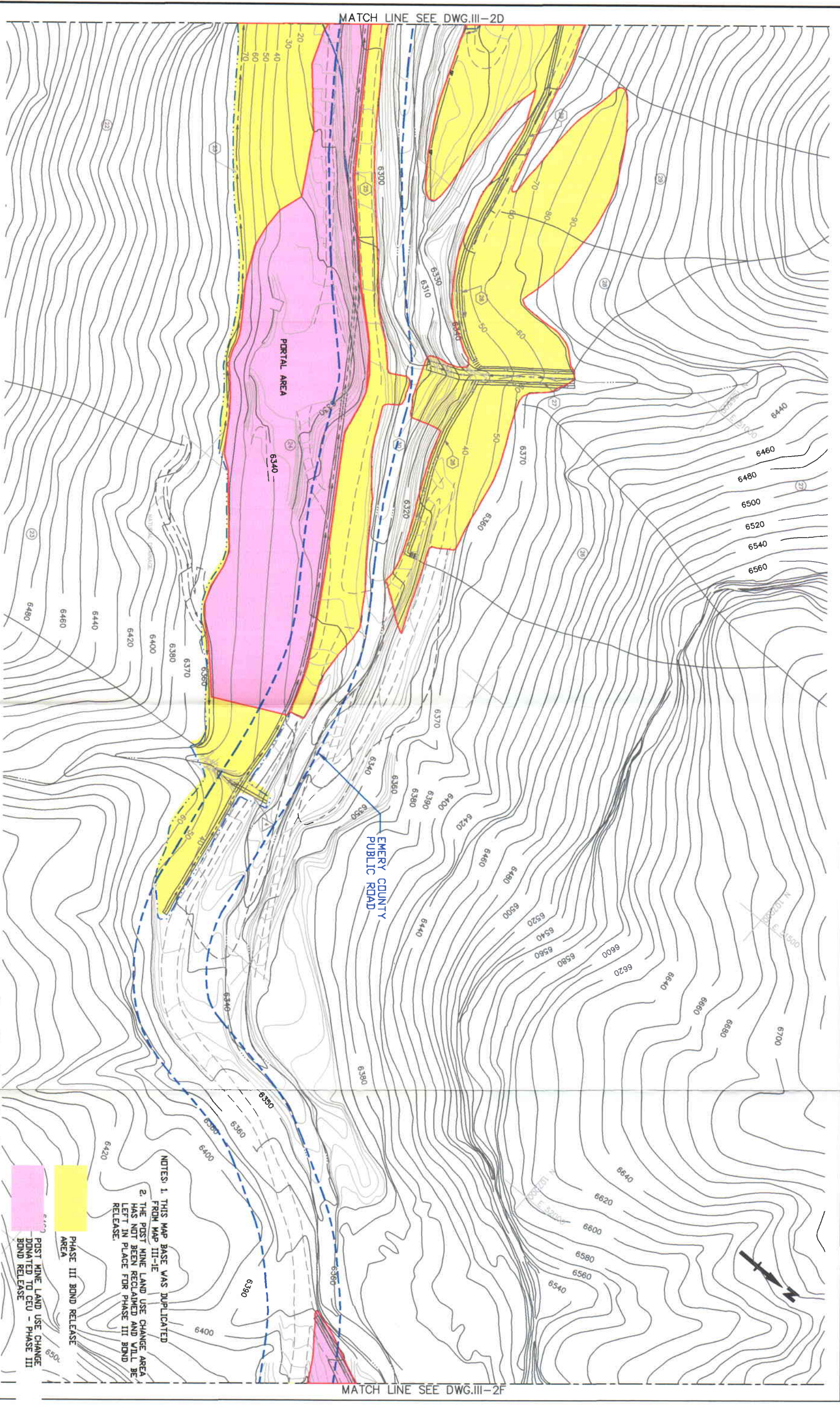
UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

PHASE III BOND RELEASE AREAS
HORSE CANYON MINE
JOB NO. 304.01.100
DWG NO. III-2D

HANSEN, ALLEN & LUCE, INC.
Engineers
22 N. Center St., Suite 20 - Price, Utah 84501

NOTES:
1. THIS MAP BASE WAS DUPLICATED FROM MAP III-1D
2. THE POST MINE LAND USE CHANGE AREA HAS NOT BEEN RECLAIMED AND WILL BE LEFT IN PLACE FOR PHASE III BOND RELEASE.
NOTE: THIS MAP BASE WAS DUPLICATED FROM MAP III-1D

PHASE III BOND RELEASE AREA
POST MINE LAND USE CHANGE DONATED TO CEU - PHASE III BOND RELEASE



MATCH LINE SEE DWG.III-2D

MATCH LINE SEE DWG.III-2F

NO	DATE	REVISION
1	7/08	ADDED COUNTY ROAD
2	10/08	PHASE II BOND RELEASE



FOR ADDITIONAL LEGEND SEE PLATE IV-A, VOL. 1.
TWO BASED ON 1988 AERIAL PHOTO BY INTER MOUNTAIN TECHNICAL SERVICES, INC. OF GRAND JUNCTION, COLORADO.
DATA IS 1988 SEA LEVEL.
COORDINATE SYSTEM IS UTM ZONE 12N.
INTERIOR AND FINAL REGULATION PROPOSEDLY DESIGNED AND DEVELOPED BY R.F. HARRIS ENGINEERS, INC., 1980-1991.
COMPLIANCE THROUGHOUT DESIGN AND DEVELOPMENT MONITORING AND IMPROVED BY KENTON ENGINEERING, INC.

SCALE	1"=50'-0"	DATE
DESIGNED	B.A. GRIMES	10-20-08
CHECKED		
IN CHARGE		
DATE		

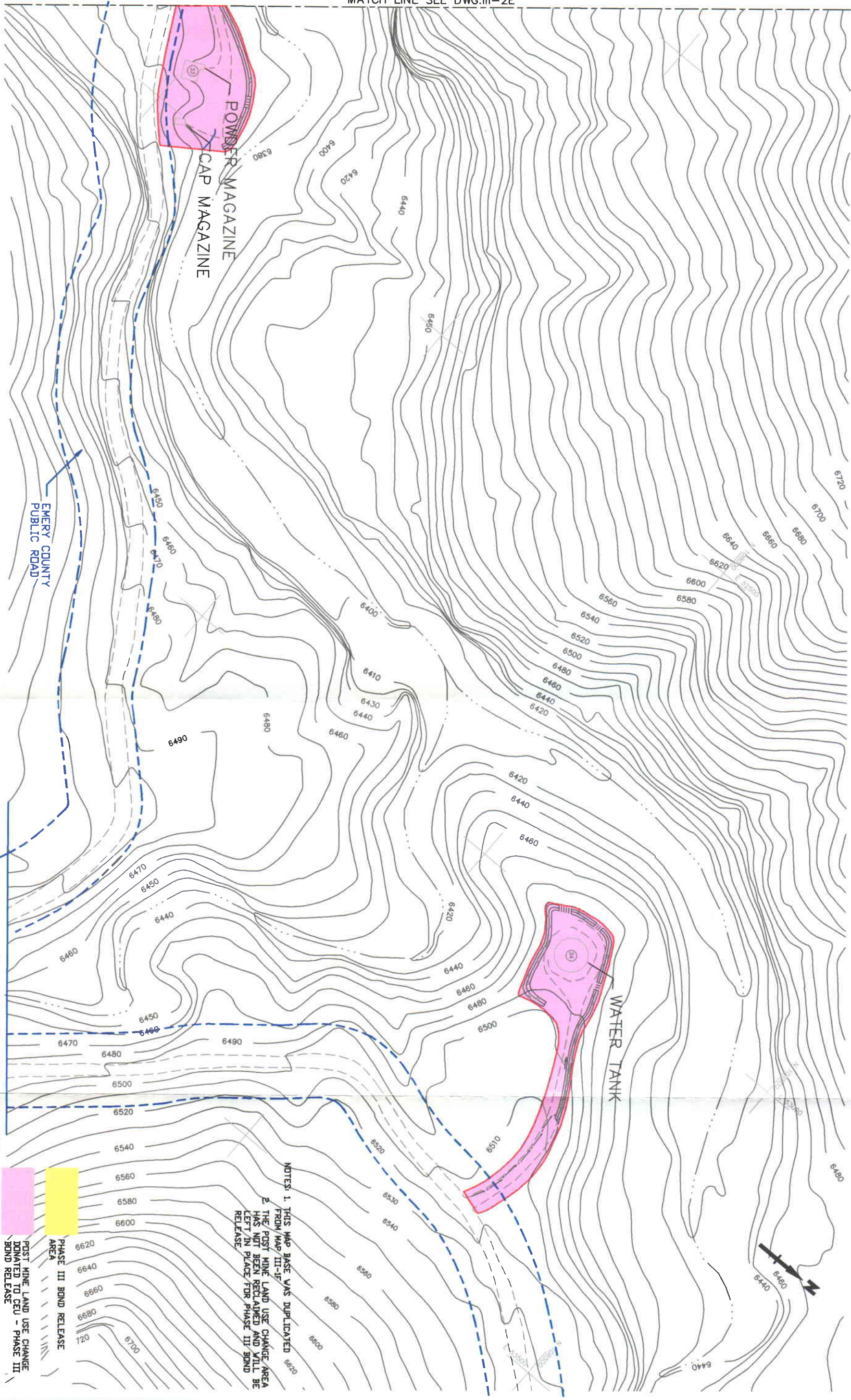
UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

JOB NO. 304.01.100	DWG. NO. III-2E
BANKS, ALLEN & JONES, INC. ENGINEERS 200 N. GARDEN ST. SUITE 200 - PRICE, UTAH 84501	
PHASE III BOND RELEASE AREAS HORSE CANYON MINE	

NOTES: 1. THIS MAP BASE WAS DUPLICATED FROM MAP III-1E
2. THE POST MINE LAND USE CHANGE AREA HAS NOT BEEN RECLAIMED AND WILL BE LEFT IN PLACE FOR PHASE III BOND RELEASE.

PHASE III BOND RELEASE AREA
POST MINE LAND USE CHANGE DONATED TO CEU - PHASE III BOND RELEASE

MATCH LINE SEE DWG.III-2E



NO.	DATE	REVISION	BY	APP.
1	7/05	ADDED COUNTY ROAD		
2	10/05	PHASE III BOND RELEASE		

PROFESSIONAL SEAL
B. JAY
REGISTERED PROFESSIONAL ENGINEER
STATE OF UTAH

1. FOR ADDITIONAL LICENSE SEE PLATE III-3, VOL. 3.
2. THIS MAP IS BASED ON 1980 AERIAL PHOTO BY AERIAL LOCATION SERVICES, INC. OF GRAND JUNCTION, COLORADO.
3. DATA IS 1980 SEA LEVEL.
4. COORDINATE SYSTEM IS NAD83 UTM ZONE 12N.
5. MINING AND PULP RECLAMATION TOPOGRAPHY DESIGNED AND DEVELOPED BY G.P. KASPER ENGINEERING, INC., 1990-1991.
6. COMPLIANCE THROUGHOUT DESIGN AND DEVELOPMENT MONITORING AND PROVIDED BY KATYKIN ENGINEERING, INC.

SCALE: 1"=500'-0"

DATE: 10-25-05

BY: B.A. CRINKLES

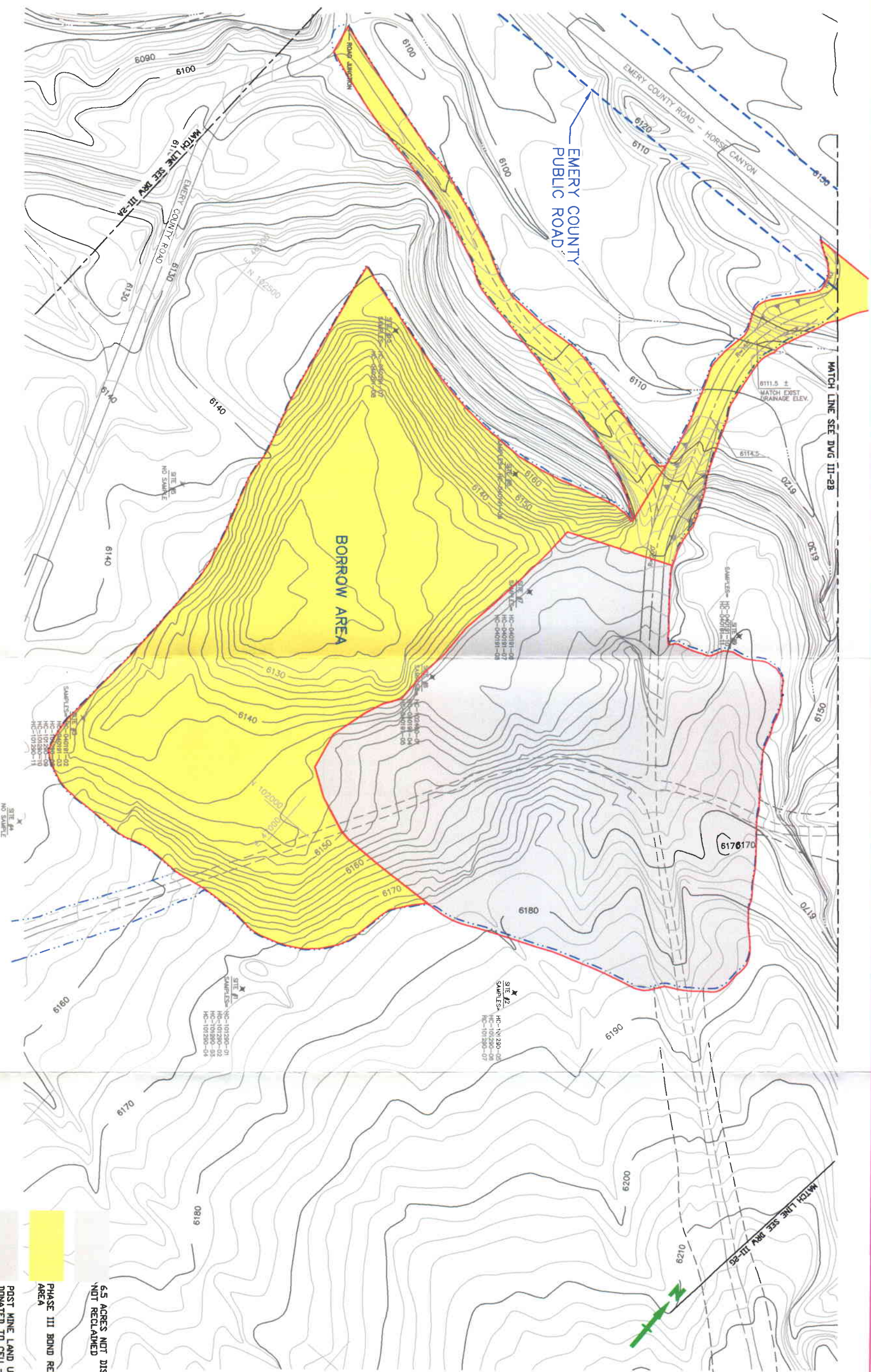
UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

STANDARD, A2200 & 2200B, INC.
1000 S. 1000 E. SUITE 200
ST. GEORGE, UTAH 84770

PHASE III BOND RELEASE AREAS
HORSE CANYON MINE

JOB NO. 304.01.100

DWG. NO. III-2F



NO	DATE	REVISION
1	7-18	ADDED COUNTY ROAD & 6.5 ACRE AREA
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FOR LENDING SEE PAGE 1-1, VOL. 1
THIS MAP IS BASED ON 1988 AERIAL PHOTO BY INTER MOUNTAIN TECHNICAL SERVICE, INC. OF GRAND JUNCTION, COLORADO.
DATE IS 1988 SEA LEVEL.
CONTOUR INTERVAL IS 10 FEET STEEL SCALE.
INTERIOR AND FINAL RECLAMATION TOPOGRAPHY DESIGNED AND PREPARED BY KAREN ENGINEERS, INC., 1400-19th, COVINGTON, MISSISSIPPI 38939 AND DEVELOPMENT MONITORING AND PREPARED BY KAREN ENGINEERS, INC.

SCALE	1"=50'-0"	DATE
BY	DAVID	6-18
BY	B.A. GRIMES	6-18
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UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

PHASE III BOND RELEASE AREAS
HORSE CANYON MINE

NOTE: THIS MAP BASE WAS DUPLICATED FROM MAP III-16

6.5 ACRES NOT DISTURBED
NOT RECLAIMED

PHASE III BOND RELEASE
AREA

POST MINE LAND USE CHANGE
DONATED TO CEU - PHASE III
BOND RELEASE

Appendix III-1-7

**UDOGM Phase III Bond Release Application
Review Comments Letter Dated June 5, 2006**



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 5, 2006

Jay Marshall, Resident Agent
UtahAmerican Energy, Inc.
P.O. Box 986
Price, Utah 84501

Subject: Phase III Bond Release UtahAmerican Energy, Inc., Horse Canyon Mine,
C/007/0013, Task ID #2409, Outgoing File

Dear Mr. Marshall:

The above-referenced amendment has been reviewed. There are deficiencies that must be adequately addressed prior to approval. In order for us to continue to process your application, please respond to these deficiencies by July 7, 2006.

The deficiencies are as follows:

- R645-301-762.100** The Permittee must reconstruct the Refuse Pile channel to meet the standard for a 100 yr-24 hr precipitation event prior to receiving Phase III bond release.
- R645-301-880.130**, The Permittee must include a notarized statement that certifies that all applicable reclamation activities have been accomplished in accordance with the requirements of the R645-Rules.
- R645-301-880.120**, The Permittee must state in the newspaper advertisement the type of bond, such as surety, letter of credit or collateral and describe the 6.5-acre area and the 0.02-acre area. The Permittee must state in the letters sent to adjoining property owners and government agencies • the correct acreage (the letters state that 51.56 acres are scheduled for bond release instead of 74.26 acres), • that bond release will occur on four subareas and what those subareas are, • the location of the property, • a description of the results achieved during reclamation and • that the recipient can submit objections to a request for a public hearing or informal conference to the Division.
- R645-301-121.100**, The Permittee must include information in the bond release package that discusses the 6.5-acre area and 0.02 acre area. The Permittee must provide documentation that the 6.5-acre area was

not disturbed in the past ten years or that the areas or subareas meet the requirements for Phase I and Phase II bond release. The Permittee must also provide documentation that the 0.02-acre has an alternative postmining land use.

R645-301-412.100, The Permittee must include detailed information in the bond release package about the postmining land use and how it will be achieved. The Division needs specific information on the 6.5-acre area and the 0.02-acre area. In addition, the Permittee did not include information on the road that was deeded to the County. Even though the transfer took place bond release on the road must take place.

R645-301-542.620, The Permittee must show that the bridge abutments are part of the postmining land use.

R645-301-553.100, The Permittee must include detailed information in the bond release package about how the 6.5-acre area and the 0.02-acre area met the AOC requirements.

R645-301-880.310 and R645-301-880.320, The Permittee must show how they met all of the requirements for Phase I and Phase II bond release on the 6.5 acre area that was not part of the Phase I and Phase II bond release.

R655-301-542.710 and R645-301-551, The Permittee must include a narrative that states how all underground openings including the portals were permanently seal unless they were needed for the postmining land use.

R645-301-542.600, The Permittee must include a narrative of which roads were retained, and which roads were reclaimed and how each effort met the regulatory requirements. For example, the Permittee must state how the main mine road was deeded to the County. Unless the County road was given Phase III bond release then the Permittee must include that area in the Phase III bond application.

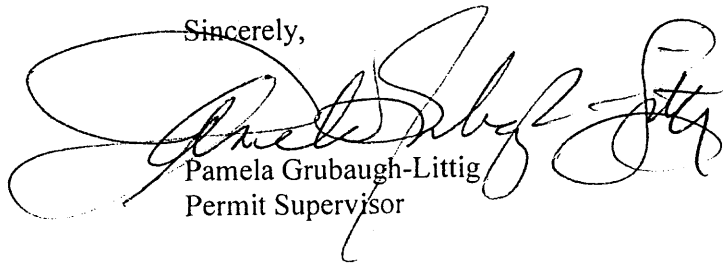
R645-301-542.200 The Permittee must include as built maps and cross sections for the areas that were no part of the Phase II bond release.

R645-301-542.320 The Permittee must label and show all surface and subsurface manmade features that they will leave at Phase III bond release.

Page 3
Jay Marshall
June 5, 2006

If you have any questions, please call me at (801) 538-5268 or
Wayne Western at (801) 538-5263.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Pamela Grubaugh-Littig'. The signature is written over the printed name and title.

Pamela Grubaugh-Littig
Permit Supervisor

an
cc: Price Field Office
O:\007013.HOR\FINAL\WG2409\DefLetter2409.doc

Appendix III-1-8
Reclamation Certification



UtahAmerican Energy, Inc.

Horse Canyon Mine
ACT/007/013

Re: Phase III Bond Release Horse Canyon Mine ACT 007/013

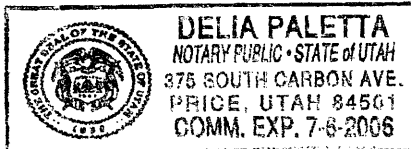
I hereby certify to the best of my information and belief all the information contained in this request for bond release is true and correct and that all applicable reclamation activities have been accomplished in accordance with the requirement of the Act, the regulatory program and the approved reclamation plan.

R. Jay Marshall

R. Jay Marshall Vice President, 7/5/06
Sign Name, Position, Date

Subscribed and sworn to before me this 5th day of July, 2006

Delia Paletta
Notary Public

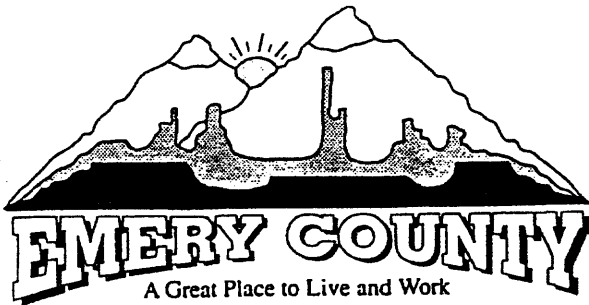


My Commission Expires: 7-8-2006, 2006

Attest: State of Utah
County of Carbon

Appendix III-1-9

**0.02 Acres - Emery County Bridge Abutments -
Emery County Roads Department Letter**



Road Department

February 26, 1996

Mr. William W. Engles
Coal Supply Engineer
Intermountain Power Agency
City of Los Angeles
Department of Water and Power
111 North Hope Street, Room 1107
Los Angeles, California 90012

RE: Ownership of the Horse Canyon Bridge

Dear Mr. Engles:

In October 1995, Emery County entered into a Special Warranty Deed and Dedication Agreement with the Intermountain Power Agency in which Emery County assumed the right and title to the Range Creek Road right-of-way through Horse Canyon. It is Emery County's understanding that the right-of-way includes all structures within the legal description of the property. The structures within the right-of-way also include the bridge that spans Horse Canyon Creek within the mine area.

If you have further questions concerning this matter, please feel free to call me at (801) 381-5450.

Sincerely,

Rex Funk
Emery County Road Supervisor

cc: Kent Petersen, Commissioner
Bevan Wilson, Commissioner
Randy Johnson, Commissioner
Emery County Special Service District #1

13.96

RECEIVED

MAR 1 - 1996

COAL FUEL SUPPLY

APPENDIX III-1

Phase III Bond Release Application Horse Canyon Mine

Table of Contents

Phase III Bond Release Application Horse Canyon Mine

Phase III Bond Release Application, Horse Canyon Mine	1
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List of Appendices

- III-1-1 Asset Assignment Agreement - (Post Mining Land Use Change area - CEU donation)
- III-1-2 Letters to Surface and Subsurface Owners
- III-1-3 Public Notice
- III-1-4 Plates III-2A through III-2G
- III-1-5 Horse Canyon Vegetation Survey 2003
- III-1-6 Horse Canyon Vegetation Survey 2004
- III-1-7 UDOGM Phase III Application Review Comments Letter, June 5, 2006
- III-1-8 Reclamation Certification
- III-1-9 0.02 Acres - Emery County Bridge Abutments - Emery County Roads Department Letter

Appendix III-1
Phase III Bond Release Application
Horse Canyon Mine

The purpose of this application is to request Phase III Bond Release for the Horse Canyon Mine including the Post Mine Land Use Change area with structures and buildings approved by the Division of Oil Gas and Mining (Division) on February 25, 2004. This application includes the lands included in the previous bond releases:

1. Phase I (51.56 acres) bond release for \$812,726 was approved by the Division on February 5, 1997.
2. Phase II (51.56 acres) bond release for \$191,672 was approved by the Division on April 11, 2002.

The only area not included in this application is a small 0.49 acre area on the Road Junction Refuse Pile shown on Map III-2A. This area consists of an access road to the channel that sustained storm runoff damage, and the channel repair area. The damaged channel will be repaired and the road will need to be opened up to access the damaged channel. Immediately after the repair work is completed, the area will be reclaimed and seeded during the first available seeding season.

Therefore, this application is for a total of 51.07 acres (51.56 acres Phase II area - 0.49 acres for the channel repair area and access road).

Application Format

This application is formatted following Technical Directive Tech - 006, Requirements for Phased Bond Release, March 1, 2001.

This application will present the appropriate Technical Directive section headings in bolded italics followed by responses as follows:

5. Procedure

Prior to Bond Release Request

Permit reclamation changes and post mine land use changes:

All permit revisions have been approved by the Division and incorporated into the MRP.

A Post Mine Land Use Change (PMLU) for 16.18 acres not included in the Phase I and Phase II bond release areas was submitted and later approved by the Division on

February 25, 2004 for a portion of the Horse Canyon Mine including buildings and areas donated to the College of Eastern Utah (CEU) under an Asset Assignment Agreement. The post mining land use change was added to the MRP as Appendix X-4 in Chapter X, Volume IV.

The Post Mine Land Use Change area can be seen on Exhibits A-1, A-2, A-3 and A-4 of the PMLU Change application (Appendix X-4, Volume IV of the MRP). The areas covered by this bond release application can be found on Plates III-2A thru III-2G attached to this application as Exhibit III-1-4 including the PMLU area and the areas covered by the approved Phases I and II bond releases. The base map for Plates III-2A through III-2F have been assembled by duplicating Plates III-1A through III-1F, Plate III-2G has been added to include small areas that extended off of Plates III-2A, and III-2B. Four (4) copies are include for insertion into the MRP document.

A copy of the Asset Assignment Agreement with CEU can be found in the Division files under the PLMU application, and as Exhibit III-1-1 of this application.

1. Certify Reclamation

As-build drawings (Plates III-1A thru III-1F) were submitted and approved as part of the Phase II bond release application; these plates have been incorporated into the MRP. Information adequate for Phase I and Phase II bond releases were previously submitted and accepted by the Division as evidenced by the approved Phase I and Phase II bond releases. The approved Post Mine Land Use Change referenced above modified the reclamation plan to leave the buildings, structures and areas as-is for use by the CEU. Therefore, that area, buildings and structures were not reclaimed.

Form C1 included with this application contains a notarized certification.

A statement certifying that all applicable reclamation activities have been accomplished in accordance with requirements of the R645 rules is included as Appendix III-1-8.

2. Provide agreements for structures remaining for post mine land use. Phase III Bond Release Area:

Exhibit III-1-1 to this application includes a signed copy of the Asset Assignment Agreement with the CEU for the post mine land use change area. The structures and areas not reclaimed, and left for post mine land use are shown on Maps III-2C, III-2D, and III-2F in the area designated on the maps, "Post Mine Land Use Change Area Donated To CEU." The structures and areas are described in detail in Appendix III-1-1 of this submittal, and in the Post Mine Land Use Change previously approved by the UDOGM.

0.02 Acre Area For Emery County Road Bridge Abutments and the Horse Canyon Road

On October 4, 1995, a Special Warranty Deed and Dedication Agreement between Intermountain Power Agency, and Emery County was executed giving Emery County rights to the Horse Canyon road for its use as a public road (refer to Appendix I-6 in Chapter I, Volume I of the MRP). This agreement states that, "The road was established and used by the public to access public lands for recreational and ranching purposes prior to Grantor's improvement of the Road and use thereof for mining purposes." The road has been used by many landowners in Range Creek for decades to access their property, as well as property on the Tavaputs Plateau.

A copy of a letter from the Emery County Road Department, dated February 26, 1996 discussing the Horse Canyon road is included in Appendix I-6. This letter specifically says that Emery County understands that "...the right-of-way includes all structures within the legal description of the property." Further, the letter states, "The structures within the right-of-way also include the bridge that spans Horse Canyon Creek within the mine area."

The Emery County road has been clearly marked and labeled on all maps included in this application. The road includes a 100 foot wide strip centered on the Horse Canyon road, with wider sections where there are drainage structures, and where the bridge crosses the creek. As can be seen on the maps, areas where mining activity disturbed land within the road were reclaimed and have been included in Phases I and II bond releases.

The bridge abutments are necessary to support future expansion of the Horse Canyon Creek bridge, which is a part of the road. The current bridge is only one lane wide, and Emery County has indicated the need to widen the bridge to two lanes. The Horse Canyon road has been a public road for many decades, long before the SMCRA law came into being. Being a public road, it could not be reclaimed by UEI, or any of its predecessors. Private property owners in Range Creek and on the Tavaputs Plateau rely on the road for access to their properties.

The approved postmining land use is Wildlife habitat for the major portion of the permit and surrounding areas. As stated in Chapter X of the MPR, on page X-4 Horse Canyon was historically used as a cattle trail, and on page X-16 it states that the road has existed since about 1899. This trail/road likely traversed up the canyon and over the mountain into Range Creek. Further documentation is discussed on page X-16. By necessity, use of the road by ranching requires access for domestic animals, and by ranchers and later when the road was established, their vehicles. Because of long established use, the trail, and then the road became public access to Range Creek and the Tavaputs Plateau. Even though this use may not have been fully discussed in the Horse Canyon Mine permits, it nevertheless existed and cannot be ignored. Court case precedence has been well established that common and long standing use of a trail, or road by the public must be maintained for the benefit of the public. Therefore, the Horse Canyon road would have to be left operational after mining ceased. As stated on page X-16 of the approved MRP,

"The public road currently in existence through the permit area will be retained during and following the mining and reclamation periods."

A Post Mining Land Use Change (PMLU) application for 16.18 acres of the mining area was submitted to the UDOGM and approved for Residential/Recreational for the area including the Horse Canyon Mine buildings. The land and buildings were donated to the Center for Mine Land Redevelopment, and the College of Eastern Utah for use as a science field camp. The Horse Canyon Road is necessary access to the PMLU area.

In view of the above discussion, the Horse Canyon road meets the post mining land use objectives. The bridge abutments are a necessary part of the bridge structure widening, and therefore they meet the post mining land use of Wildlife Habitat, and of Residential/Recreational.

6.5 Acre Borrow Area Disturbed and Not Reclaimed

Map III-2G shows the borrow pit area used to obtain soil materials for final reclamation. As can be seen on the map, the Western portion of the area was used as the borrow area, with the Eastern portion reserved for final reclamation of the buildings area. Since the buildings area was donated to the college of Eastern Utah, and a Land Use Change was approved by the UDOGM, the necessity for borrow from the Eastern area of the borrow pit was precluded. As can be seen by the contours of the Eastern area, no excavations, or removal of soils materials was done. In addition, mature vegetation including pinion and juniper trees in the area attest to the fact that the area has not been disturbed in the past several decades. A pre-law two-track road traverses this area, and it can be verified by the contours along this road that no disturbance has been done.

The Western portion of the borrow pit area was used for reclamation materials for the Horse Canyon Mine as discussed previously. This Western area was included in Phases I and II reclamation bond release, and is included in this Phase III bond release application. It is requested by this application to included both the Western and Eastern portions of the borrow pit for final Phase III bond release since all reclamation standards have been met for the Western portion, and the Eastern portion was never disturbed.

3. Address performance standards.

The land use change area and structures will be used by the CEU. The area has been donated in total including ownership of the property and therefore is removed from reclamation responsibility, although no bond reduction has been applied for. This Phase III bond release application includes the acreage, buildings and structures including the post mine land use change area as well as the areas reclaimed under the Phase I and Phase II bond releases. All pertinent requirements were addressed in the post mine land use change application.

Post Mining Landuse

The postmining landuse of Wildlife Habitat has been achieved by providing much better vegetation for foraging animals than exists in the undisturbed surrounding area. The attached vegetation reports verify that the vegetation reclamation standards have been met or exceeded.

The Horse Canyon Mine buildings and other areas were included in a postmining land use change to Wildlife and Residential/Recreational approved by the UDOGM, with the intent to be used by the CEU for a science field camp. Reclamation in the area provides a good environment for a science field camp by providing vegetation that will attract wildlife. In addition, the buildings and area will provide a base for science studies possibly including, vegetation, soils, geology, paleontology, archeology, and wildlife.

AOC Considerations

6.5 Acre area

As can be seen on Map III-2G, the contour lines in the 6.5 acre area not reclaimed or used for a borrow area for reclamation are quite irregular in nature, indicating that no excavation was conducted during reclamation of the Horse Canyon Mine. Two old pre-law roads criss-cross the area, and it can be seen by observing the contour lines that they have not been modified by borrow activities. In addition, mature vegetation and large mature trees in the area that no disturbance has been done in this area for decades. Since the area has not been disturbed, approximate original contour requirements for this area do not apply.

0.02 Acre area

The bridge abutments are included in the 0.02 acre area. They are located on the sides of Horse Canyon Creek, and are needed by Emery County for future widening of the bridge. The Horse Canyon Creek is a deeply incised canyon with very steep side walls in this area. This has likely been the case for this canyon for eons, and is typical of canyons in the general area. The bridge abutments do not alter the general shape of the canyon. Since the road is a public road, and the abutments are necessary to support widening of the bridge, the area meets approximate original contour.

Underground Mine Openings

Page IV-15 of the approved MRP states: "There are twelve openings within the Horse Canyon permit area that are sealed. The seals used are suitable for temporary closure or permanent reclamation".

Page II-8 of the approved Horse Canyon MRP states: "In the third quarter of 1986 all portals were sealed with solid block walls to prevent unauthorized entry of the mine. The seals used are suitable are suitable for temporary closure or permanent reclamation."

Page II-14 of the approved Horse Canyon MRP states: "All portals with the exception of the Lila Canyon east and west portals will be backfilled and revegetated during reclamation." Page II-14 goes on to state: "The Lila Canyon portals have been sealed with permanent masonry walls immediately back from the opening. The exterior fan facilities have already been removed. And the small pad which remains has been cleared of any mining equipment. Because of the remoteness and inaccessibility of the portals it is proposed that no further backfilling or reclamation take place at this location. There is no means of access to the portals other than foot travel, thus it would be impossible to regrade the small pad which remains. Natural sloughing of rock from above the portals has been noted, and it appears that eventually the portals will be covered by this rock fall."

A Minor Exploration Permit was approved by DOGM in January of 1992. This permit allowed for BXG, Inc. To breach the seals and explore the Horse Canyon mine. The exploration plan states: "This exploration is not being conducted by the owner or permit holder. Thus, no permit will be modified or revised."

BXG's Horse Canyon Exploration Project began in late August of 1992 with MSHA's approval of the Seal Breaching Plan and subsequent breaching of the Horse and Lila Canyon seals on August 26 and 27, 1992. Mine exploration began January 22, 1993, after MSHA approval of the mine Exploration Plan received on December 30, 1992. A resealing plan was submitted to MSHA on April 27, 1993 and approved May 14, 1993. The Lila and Horse Canyon seals breached in August, 1992 have been restored to original condition.

REQUEST FOR BOND RELEASE

I. A. Notarized signature

This application has been formatted as new Appendix III-1, Chapter III, Volume I of the MRP, and includes form C1 which includes a certification with notarization.

I. B. Notification letters

Exhibit III-1-2 includes copies of notification letters sent to the appropriate individuals and entities included in the following list:

ADJACENT PROPERTY OWNERS

Mr. Josiah K. Eardley
2433 So. Highway 10
Route 1, Box 119
Price, Utah 84501

Mr. Dave stokes
Bronco Coal
340 South Carbon Ave. Suite 126
Price, Utah 84501

College Of Eastern Utah Foundation
451 East 400 North
Price, Utah 84501

GOVERNMENT AGENCIES

Mr. Bruce Andrews, Mayor
Sunnyside City
701 Market St.
Sunnyside, Utah 84539

Mr. Orlando LaFontaine, Mayor
East Carbon City
101 W. Geneva Dr.
East Carbon, Utah 84520

Mr. Drew Sitterud
Emery County Commission
95 East Main Street
Castle Dale, Utah 84112

Mr. Bill Krompel
Carbon County Commission
120 East Main St.
Price, Utah 84501

Department of Natural Resources
Division of Sovereign Lands & Forestry
1594 W. North Temple, Suite 3520
P.O. Box 145703
Salt Lake City, Utah 84114-5703

United States Department of The Interior
Bureau of Land Management
Mr. Mark Mackiewicz
125 South 600 West
Price, Utah 84501

Emery County Planning and Zoning Commission
PO Box 727
75 East Main St.
Castle Dale, Utah 84513

WATER & SEWER

Castle Valley Special Service District
86 South 100 East
Castle Dale, Utah 84513

I. C. NEWSPAPER ADVERTISEMENT

Exhibit III-1-3 includes a copy of the public notice required by R645-301-880-120. Poof of publication will be submitted following posting and receipt of signed affidavit of publication

I. D. PERMIT CONDITIONS

There are no outstanding permit conditions.

II. A. 1. Legal description of the permit area.

The permit area is shown on the Lila Point, and Cedar U.S. Geological Survey 7.5-minute Quadrangle maps. The areas covered in this Phase III Bond release application include 51.56 acres covered by the Phase I and Phase II bond releases as well as 6.5 acres at the borrow area which was partially disturbed during reclamation efforts in 1990 -1991 by removing some fill material for reclamation. This disturbance of the borrow area was reclaimed at that time and has not been disturbed since. In addition, 0.02 acres including the bridge abutments were retained by Emery County for the bridge providing access to the Horse Canyon County road. Also, 16.18 acres were donated to CEU, making a total of 74.26 acres included in this bond release application.

The complete permit legal description can be found in Chapter I, Volume 1 of the MRP. More specifically, the disturbed areas included in the reclamation bond are as follows:

Post Mining Land Use Change Area:

Township 16 South, Range 14 East, SLB&M

Section 3: Lots 3, 6, 11, 12

Section 4: NE4SE4, SE4SE4, NW4SE4, SW4SE4

Containing 16.18 acres.

Phase III Bond Release Areas:

Township 16 South, Range 14 East, Salt Lake Base & Meridian

Section 3

Lot 1, 2, 3, 5, 6, 7, 8, 9, 11, 12; N2SW4SW4, SW4SE4, NW4SW4, NE4SW4
N2SE4, SE4SE4

Section 4

SE4NE4, S2SW4, S2SE4NE4, Lot 9, SE4

Section 5

S2SE4SE4

Section 8

NE4NE4

Section 9

NW4NW4, NE4NW4, NW4NE4

Containing 58.08 acres of disturbed area.

II.A.2. Maps

All disturbed areas where reclamation has been completed are included in this Phase III Bond Release application. Those areas can be seen on Plates III-1A thru 1F, III-1A-1, III-B-1, III-1C-1, III-1D-1, and III-1G in Chapter III, Volume I of the MRP. The disturbed area boundary can also be seen on Plates II-1A and 1B in Chapter II, Volume I. Plates III-A thru III-1F have been revised to reflect the Phase III bond release request including the areas donated to CEU included in the PMLU and the areas previously reclaimed under the Phase I and Phase II bond releases, and can be seen in Exhibit III-1-4 of this application.

The maps included with this application show the topography of the area including reclaimed area topographic lines. The Emery County public road has been added to clearly designate it's location in relationship to areas reclaimed, and the area donated to the CEU. The donation area is clearly shown on Maps III-2C, III-D, and III-F.

II.A.3. Vegetation Sampling

Vegetation sampling was conducted in 2003 and 2004 for Phase III bond release evaluation. The sampling reports are included in this application as Exhibit III-1-5, Horse Canyon Vegetation Survey - 2003, and Exhibit III-1-6, Horse Canyon Mine Vegetation Survey - 2004. The Division was notified and consulted in this regard as stated in the 2003 sampling report included as Appendix III-1-5, Horse Canyon Vegetation Study - 2003. The vegetation meets the requirements of the standards as follows:

Quoting from the 2003 study report:

A vegetation inventory was conducted on 6 revegetation sites on the Horse Canyon Mine property between June and August, 2003. Data were collected regarding percent cover, percent cover by species, and woody plant density at each site. Data were also collected from a reference site located on Bureau of Land Management property adjacent to mine property. Revegetation sites were compared to the reference area with respect to

cover and woody plant density to determine similarity. All sites cover averages exceed the cover average for the reference site and should be judged to have satisfactorily exceeded minimum requirements with respect to cover. Woody plant density in all revegetated sites exceeded woody plant density in the reference area. Species diversity was also higher in all revegetated areas when compared to the reference area.

Quoting from the 2004 study report:

A vegetation inventory was conducted on 6 revegetation sites on the Horse Canyon Mine property between June and August, 2003. Data were collected regarding percent cover, percent cover by species, and woody plant density at each site. Data were also collected from a reference site located on Bureau of Land Management property adjacent to mine property. Revegetation sites were compared to the reference area with respect to cover and woody plant density to determine similarity. All sites cover averages exceed the cover average for the reference site and should be judged to have satisfactorily exceeded minimum requirements with respect to cover. Woody plant density in all revegetated sites exceeded woody plant density in the reference area. Species diversity was also higher in all revegetated areas when compared to the reference area. Life form similarity comparisons indicated that in almost every case, the revegetated areas exceeded the 70% standard with respect to percent cover.

II.A.4. Reclamation treatments, areas and work accomplished

The following MRP Chapters address the information required:

Reclamation areas and plan	Chapter 3, Volume I
Postmining Topography	Chapter 3, Volume I
Drainage Control	Chapter 3, Volume I
Vegetation	Chapter VIII, Volume IV
Land Use	Chapter X, Volume IV

*** The Post Mine Land Use Change including the CEU donation area is included in Appendix X-4.

Roads

All roads were reclaimed except for the Horse Canyon public road. All reclaimed roads are included on the maps in the areas designated "Phase III Reclaimed Areas." The roads were reclaimed according to the approved MRP. A short road will be needed to access the Road Junction Refuse Pile channel that sustained storm damage as shown on Map III-2A. This road will be opened up to access the channel for repairs and will be immediately

reclaimed and seeded during the first available reclamation season according to the approved MRP.

II.A.5. Mining history and reclamation activities

The Horse Canyon Mine was initially opened by the Defense Plant Corporation in 1942 as a source for coal for the Geneva Steel Works in Orem, Utah. The mine was sold to U.S. Steel in 1946, who operated it until January 1984, when mining was permanently suspended. U.S. Steel submitted a mining and reclamation permit application in March, 1981. In October 1982, U.S. Steel informed the Division that it was temporarily suspending mining operations, and in January 1984 permanent suspension was announced.

In November 1984, Kaiser Steel Corporation purchased the mine property and submitted a reclamation bond in the amount of \$918,649, and indicated to the Division that it would maintain the operations in a temporary suspension status until further corporate decisions were made. In February 1987, Kaiser Coal, successor to Kaiser Steel filed a petition for bankruptcy under Chapter 11, Title 11, of the U.S. Bankruptcy Code. Intermountain Power Agency (IPS) acquired the mine and the permit was transferred to IPA in August 1990. IPA was issued a mining and reclamation plan on May 6, 1991, and a reclamation bond in the amount of \$1,950,000 was issued in the form of a letter of credit.

Reclamation work proceeded on 51.56 acres of the 74.26 acres in 1990 and 1991. Phase I bond release was granted on February 5, 1997 for \$812,276. Phase II bond release application was submitted on December 19, 1997.

UtahAmerican Energy, Inc. acquired the mine from IPA on December 21, 1998. Phase II bond release was granted on April 11, 2002.

II.A.6. Extended Responsibility

The only area of extended responsibility period for the Horse Canyon Mine is shown on Map III-2A consisting of a short access road to the channel that sustained storm runoff damage, and the channel repair area. This area and road consist of 0.49 acres.

II.A.7. Remaining sediment control structures

There are no remaining sediment control structures that need to be removed.

II.A.8. Schedule and cost estimate for remaining reclamation

Phase II Bond release has been granted, this application is for Phase III bond release, completing the reclamation process, except for the 0.49 acre area on the Road Junction Refuse Pile where the channel will be repaired.

With the post mine land use change for the CEU donation, all un-reclaimed facilities and land have been removed from permit responsibility.

II.A.9. Summary of bond acreages, dates of bond releases

Date	Status	Amount	Acreages
11 Nov 84	Initial Kaiser Bond	\$ 918,649	74.26 Disturbed
6 May 91	IPA Bond	\$ 1,950,000	74.26 Disturbed
5 Feb 97	Phase I Bond Release (IPA)	\$ 812,726	74.26 - 51.56 = 22.7 Balance
15 Sept 98	Intital Horse Canyon Bond (UAE)	\$ 1,137,726	22.7 Disturbed Remaining
24 Jan 01	Adjustment at permit renewal by \$115,274	\$ 1,253,000	22.7 Disturbed Remaining
11 Apr 02	Phase II Bond Released \$191,672	\$ 1,061,328	22.7 Disturbed Remaining
25 Feb 04	Post Mine Land Use Change Approved including 16.18 acres	No Change	22.7 -16.18 = 6.52 Remaining ^A
	Phase III Bond Release Application	\$1,051,328	74.26-0.49 = 73.77 Ph III
	Road Junction Refuse Pile Channel & Access Road	\$10,000	0.49 Remaining

^A Refer to Section II.A.1 on page 2 of this application for an explanation of the 6.5 acres.

LIST OF ADDRESSES

ADJACENT PROPERTY OWNERS GOVERNMENT AGENCIES LOCAL AGENCIES LOCAL WATER COMPANIES

ADJACENT PROPERTY OWNERS

Mr. Josiah K. Eardley
2433 So. Highway 10
Route 1, Box 119
Price, Utah 84501

Mr. Dave Stokes
Bronco Coal
340 South Carbon Ave. Suite 126
Price, Utah 84501

College Of Eastern Utah Foundation
451 East 400 North
Price, Utah 84501

GOVERNMENT AGENCIES

Mr. Bruce Andrews, Mayor
Sunnyside City
701 Market St.
Sunnyside, Utah 84539

Mr. Orlando LaFontaine, Mayor
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101 W. Geneva Dr.
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Mr. Drew Sitterud
Emery County Commission
95 East Main Street
Castle Dale, Utah 84112

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120 East Main St.
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Department of Natural Resources
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1594 W. North Temple, Suite 3520
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Mr. Mark Mackiewicz
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Emery County Planning and Zoning Commission
PO Box 727
75 East Main St.
Castle Dale, Utah 84513

WATER & SEWER

Castle Valley Special Service District
86 South 100 East
Castle Dale, Utah 84513

UtahAmerican Letterhead

Date

Mr. Dave Stokes
Bronco Coal
340 South Carbon Ave. Suite 126
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr. Stokes,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

The Phase III bond release application is for Surety #4892 for \$1,051,328 and covers a total of 73.77 acres, including 16.18 acres donated to the College of Eastern Utah Foundation. The areas donated to the College of Eastern Utah are covered under an approved post mine land use change, from Wildlife to Residential/Recreation. The remaining 0.49 acres in Surety #4892 for \$10,000 will remain for the Road Junction Refuse Pile channel and access road.

Reclamation of the 51.65 remaining acres was completed in 1991, and meets the requirements of the regulations for post mine land use of Wildlife Habitat, including stabilization of lands, restoration of drainages, and vegetation establishment. After the 1991 reclamation, storm damaged the Road Junction Refuse Pile channel requiring channel repairs including an access road to the channel for a total of 0.49 acres which will remain under Surety #4892.

Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

UtahAmerican Energy

Date

Page 2

In summary: 51.56 (acres included in Phase I and Phase II bond release)
16.18 (acres donated)
6.50 (acres identified for future disturbance but never disturbed)
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74.26 Acres
-0.49 (Acres remaining under Surety #4892 for Road Junction Refuse Pile channel
and access road)
73.77 Acres (total acres within the disturbed area for Phase III bond release)

Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Utah Division of Oil, Gas and Mining, Attention: Pamela Grubaugh-Littig, Permit Supervisor, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Mr. Josiah K. Eardley
2433 S Highway 10
Route 1, Box 119
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr. Eardley,

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Page 2

Enclosure

UtahAmerican Letterhead

Date

College of Eastern Utah Foundation
451 East 400 North
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

To Whom It May Concern,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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Enclosure

UtahAmerican Letterhead

Date

United States Department of The Interior
Bureau of Land Management
Mr. Mark Mackiewicz
125 South 600 West
Price, Utah 84501

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr. Mackiewicz,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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UtahAmerican Letterhead

Date

Mr. Bill Krompel
Carbon County Commission
120 East Main St.
Price, Utah 84501

Dear Commissioner Krompel,

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

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73.77 Acres (total acres within the disturbed area for Phase III bond release)

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If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Department of Natural Resources
Division of Sovereign Lands & Forestry
1594 W. North Temple, Suite 3520
P.O. Box 145703
Salt Lake City, Utah 84114-5703

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Sirs,

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Jay Marshall
Project Engineer

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UtahAmerican Letterhead

Date

Mr. Bruce Andrews, Mayor
Sunnyside City
701 Market St.
Sunnyside, Utah 84539

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mayor Andrews,

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Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Mr. Orlando LaFontaine, Mayor
East Carbon City
101 West Geneva Dr.
East Carbon, Utah 84520

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mayor LaFontiane,

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Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

UtahAmerican Energy

Date

Page 2

In summary: 51.56 (acres included in Phase I and Phase II bond release)
16.18 (acres donated)
6.50 (acres identified for future disturbance but never disturbed)
.02 (bridge abutments within Emery County Road ROW)
74.26 Acres
-0.49 (Acres remaining under Surety #4892 for Road Junction Refuse Pile channel
and access road)
73.77 Acres (total acres within the disturbed area for Phase III bond release)

Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Utah Division of Oil, Gas and Mining, Attention: Pamela Grubaugh-Littig, Permit Supervisor, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

UtahAmerican Letterhead

Date

Emery County Planning & Zoning Commission
PO Box 727
75 East Main St.
Castle Dale, Utah 84513

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

To Whom It May Concern,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

The Phase III bond release application is for Surety #4892 for \$1,051,328 and covers a total of 73.77 acres, including 16.18 acres donated to the College of Eastern Utah Foundation. The areas donated to the College of Eastern Utah are covered under an approved post mine land use change, from Wildlife to Residential/Recreation. The remaining 0.49 acres in Surety #4892 for \$10,000 will remain for the Road Junction Refuse Pile channel and access road.

Reclamation of the 51.65 remaining acres was completed in 1991, and meets the requirements of the regulations for post mine land use of Wildlife Habitat, including stabilization of lands, restoration of drainages, and vegetation establishment. After the 1991 reclamation, storm damaged the Road Junction Refuse Pile channel requiring channel repairs including an access road to the channel for a total of 0.49 acres which will remain under Surety #4892.

Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

Page 2

Enclosure

UtahAmerican Letterhead

Date

Mr. Drew Sitterud
Emery County Commission
95 East Main Street
Castle Dale, Utah 84112

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr. Sitterud,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

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Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

Page 2

Enclosure

UtahAmerican Letterhead

Date

Mr. Darrel Leamaster
Castle Valley Special Service District
86 South 100 East
Castle Dale, Utah 84513

Re: Phase III Bond Release, Horse Canyon Mine, DOGM Permit C\007\013

Dear Mr Leamaster,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners and local government body within and adjacent to the Horse Canyon Mine of intention to seek Phase III bond release on those disturbed lands approved for reclamation, and on lands donated to the College of Eastern Utah. The land is described on the attached public notice.

The Phase III bond release application is for Surety #4892 for \$1,051,328 and covers a total of 73.77 acres, including 16.18 acres donated to the College of Eastern Utah Foundation. The areas donated to the College of Eastern Utah are covered under an approved post mine land use change, from Wildlife to Residential/Recreation. The remaining 0.49 acres in Surety #4892 for \$10,000 will remain for the Road Junction Refuse Pile channel and access road.

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Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

UtahAmerican Energy

Date

Page 2

In summary: 51.56 (acres included in Phase I and Phase II bond release)
16.18 (acres donated)
6.50 (acres identified for future disturbance but never disturbed)
.02 (bridge abutments within Emery County Road ROW)
74.26 Acres
-0.49 (Acres remaining under Surety #4892 for Road Junction Refuse Pile channel
and access road)
73.77 Acres (total acres within the disturbed area for Phase III bond release)

Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Utah Division of Oil, Gas and Mining, Attention: Pamela Grubaugh-Littig, Permit Supervisor, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

If you have any questions or need additional information, please do not hesitate to contact me at (435) 637-5032 Extension 724, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Jay Marshall
Project Engineer

Enclosure

Public Notice

Application for Phase III Bond Release

**Horse Canyon Mine
UtahAmerican Energy , Inc.
Permit C/007/013, Renewed 5/6/2001
Emery County, Utah**

Notice is hereby given that UtahAmerican Energy, Inc., 153 Highway 7 South, Powhatan Point, Ohio 43942, with R. Jay Marshall as Resident Agent, P.O. Box 986, Price, Utah 84501, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for a Phase III bond release on all disturbed lands currently in Permit C/007/013 except for 0.49 acres at the Road Junction Refuse Pile pursuant to R645-301-880 and R645-301-400 of the Utah Coal Program Regulations. The permit area is shown on the Cedar and Lila Point U.S. Geological Survey 7.5-minute Quadrangle maps. The permit area affected is located in Emery County and Carbon County, Utah as follows:

Township 16 South, Range 14 East, Salt Lake Base & Meridian

Section 3

Lot 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, N2SW4SW4, SW4SE4, NW4SW4, NE4SW4, N2SE4
SE4SE4

Section 4

SE4NE4, S2SW4, S2SE4NE4, Lot 9

Section 5

S2SE4SE4

Section 8

NE4NE4

Section 9

NW4NW4, NE4NW4, NW4NE4



The Phase III bond release application is for Surety #4892 for \$1,051,328 and covers a total of 73.77 acres, including 16.18 acres donated to the College of Eastern Utah Foundation. The areas donated to the College of Eastern Utah are covered under an approved post mine land use change, from Wildlife to Residential/Recreation. The remaining 0.49 acres in Surety #4892 for \$10,000 will remain for the Road Junction Refuse Pile channel and access road.

Reclamation of the 51.65 remaining acres was completed in 1991, and meets the requirements of the regulations for post mine land use of Wildlife Habitat, including stabilization of lands, restoration of drainages, and vegetation establishment. After the 1991 reclamation, storm damaged the Road Junction Refuse Pile channel requiring channel repairs including an access road to the channel for a total of 0.49 acres which will remain under Surety #4892.

Also included in the Phase III bond release is a 6.5 acre parcel that was identified for potential disturbance that was never disturbed. Finally, a small area approximately .02 acres, containing two bridge abutments, is within the Emery County Road right of way.

In summary:

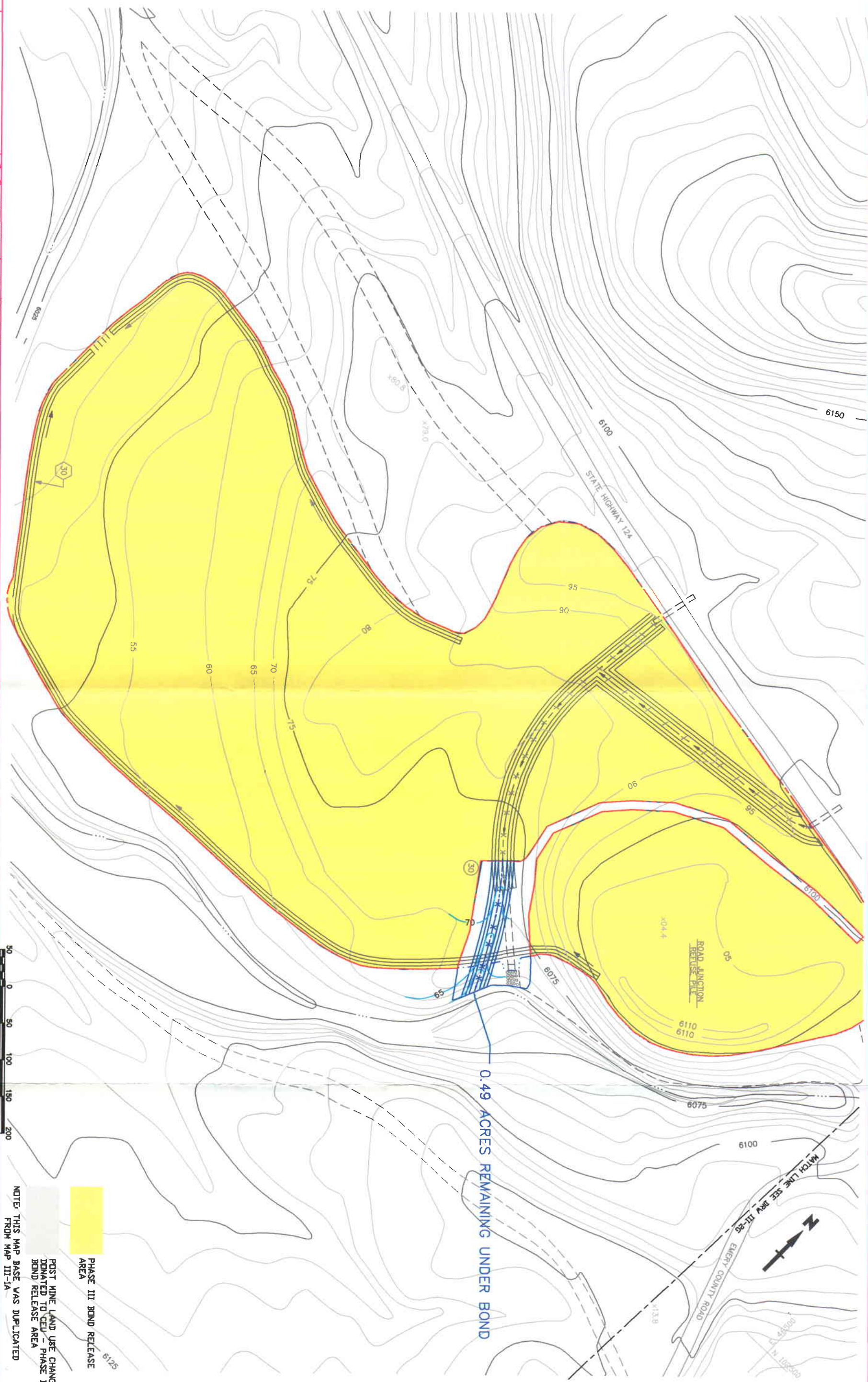
- 51.56 (acres included in Phase I and Phase II bond release)
- 16.18 (acres donated)
- 6.50 (acres identified for future disturbance but never disturbed)
- .02 (bridge abutments within Emery County Road ROW)
- 74.26 Acres
- 0.49 (Acres remaining under Surety #4892 for Road Junction Refuse Pile channel and access road)
- 73.77 Acres (total acres within the disturbed area for Phase III bond release)

Written comments, objections and requests for an informal conference on this proposal may be addressed to:

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for an informal conference on this proposal must be submitted by _____.

Published in the Sun Advocate - _____, and the Emery County Progress - _____.



NO	DATE	REVISION
1	7/08	ADDED 0.49 ACRE AREA
2		
3		
4		
5		
6		
7		
8		
9		
10		

1. FOR LISTS SEE PLATE N-1, VOL. 1.
2. TYPED BASED ON 1988 AERIAL PHOTO BY WEST MOUNTAIN TECHNICAL SERVICES, INC. OF GRAND JUNCTION, COLORADO.
3. DATED IS 1988 S.A. LINE.
4. COORDINATE SYSTEM IS UTM 12N, 12E, LOCAL.
5. INTERNAL AND FINAL REGISTRATION INFORMATION DERIVED AND CONTROLLED BY UTAH COUNTY ENGINEERS, INC., 1980-1991.
6. COMPLIANCE TO UTAH COUNTY ENGINEERS, INC. AND DEVELOPMENT APPROVED AND PREPARED BY UTAH COUNTY ENGINEERS, INC.

SCALE	1"=50'-0"	DATE
DESIGNED BY	B.A. GRIMES	10-20-08
CHECKED BY		
APPROVED BY		
DATE		

UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

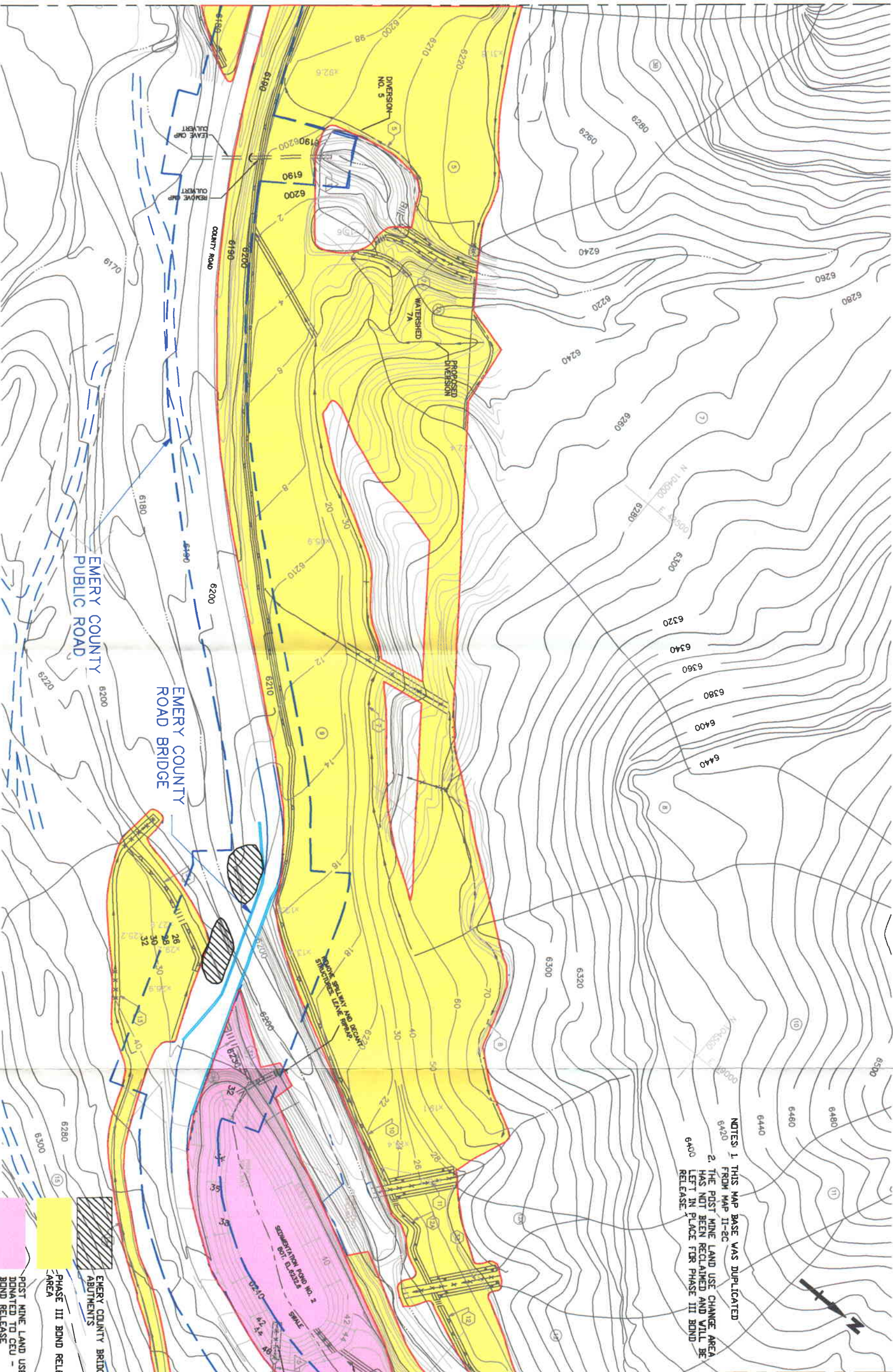
PHASE III BOND RELEASE AREAS
HORSE CANYON MINE
JOB NO. 304.01.100
DWG. NO. III-2A

NOTE: THIS MAP BASE WAS DUPLICATED FROM MAP III-1A

PHASE III BOND RELEASE AREA

POST MINE LAND USE CHANGE DEDICATED TO CEU - PHASE III BOND RELEASE AREA

MATCH LINE SEE DWG. III-2B



NOTES: 1. THIS MAP BASE WAS DUPLICATED FROM MAP II-2C.
2. THE POST MINE LAND USE CHANGE AREA HAS NOT BEEN RECLAIMED AND WILL BE LEFT IN PLACE FOR PHASE III BOND RELEASE.

MATCH LINE SEE DWG. III-2D

EMERY COUNTY BRIDGE ABUTMENTS
PHASE III BOND RELEASE AREA
POST MINE LAND USE CHANGE DONATED TO CEU - PHASE III BOND RELEASE

NO.	DATE	REVISION
1	10/08	PHASE III BOND RELEASE
2		
3	7/08	ADDED COUNTY ROAD
4		

PROFESSIONAL SEAL

REGISTERED PROFESSIONAL ENGINEER

STATE OF UTAH

NO. 10000

EXPIRATION DATE 12/31/2011

NAME

R. JAY

MASTERSALL

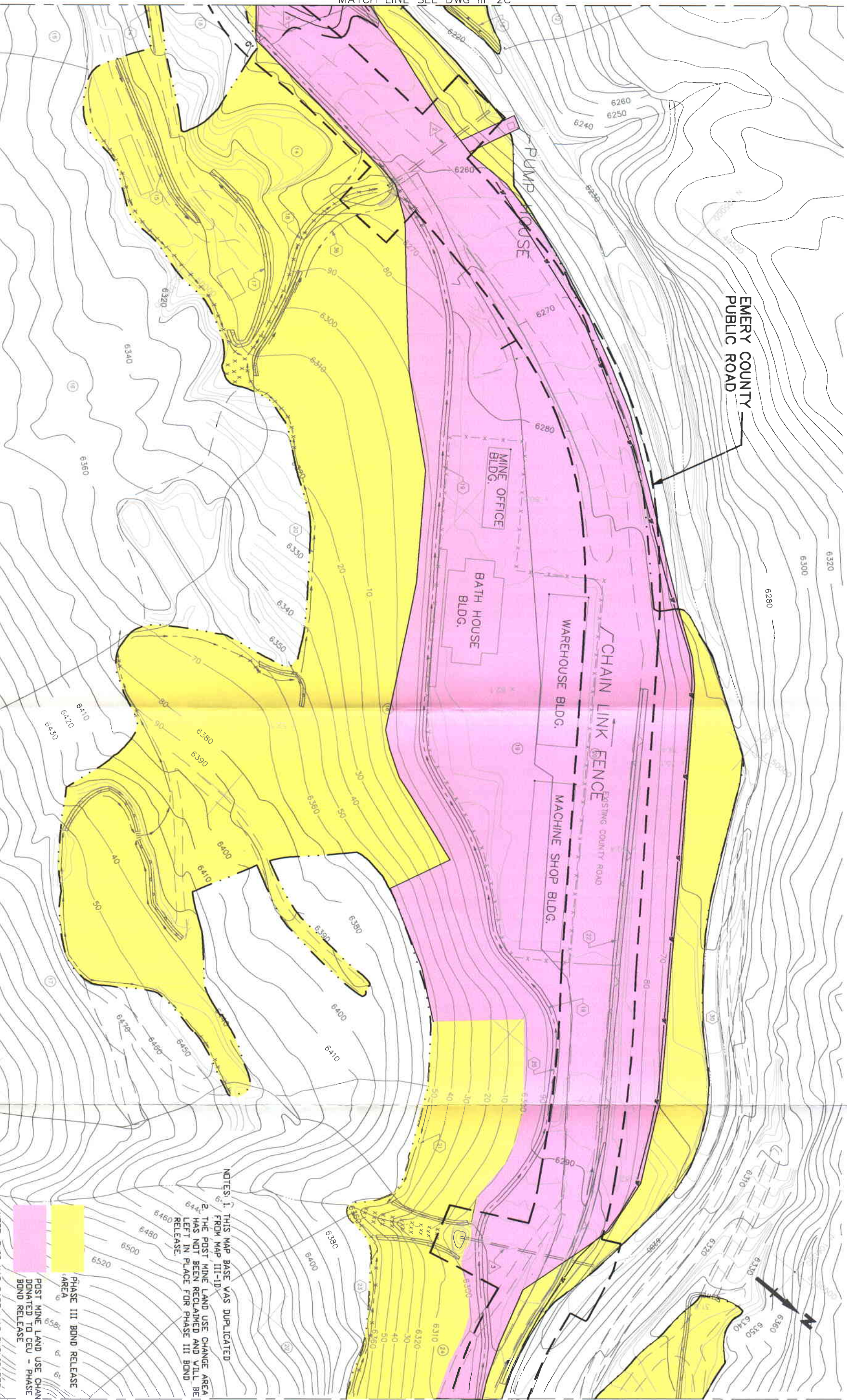
FOR ADDITIONAL LEGEND SEE PLATE "A-2" VOL. 1
THIS MAP IS BASED ON 1988 AERIAL PHOTO BY NITEL MOUNTAIN TECHNIQUE SERVICE, INC. OF GRAND JUNCTION, COLORADO.
DATA IS 1988 SEA LEVEL.
COORDINATE SYSTEM IS UTM ZONE 12N, LOCAL.
ENTIRE AND FINAL REGULATION TOPOGRAPHY DESIGNED AND CALCULATED BY UTAH ENGINEERS, INC., 1988-1991.
COMPLIANCE TOPOGRAPHY DESIGN AND DEVELOPMENT MONITORING AND PREPARED BY EMERY ENGINEERING, INC.

SCALE: 1"=50'-0"	DATE
DRAWN BY B.A. GRUBBS	10-28-08
CHECKED BY	
APPROVED BY	
DATE	

UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

PHASE III BOND RELEASE AREAS
HORSE CANYON MINE
JOB NO. DWG. NO. III-2C

MATCH LINE SEE DWG III-2C



MATCH LINE SEE DWG III-2E

PROFESSIONAL SEAL		FOR LENDING SEE PLATE V-1, VOL. 3	
REGISTERED PROFESSIONAL ENGINEER		TOWN BASED ON 1980 AERIAL PHOTO BY INTER MOUNTAIN TECHNICAL SERVICES, INC. OF GRAND JUNCTION, COLORADO.	
R. JAY MARSHALL		CADA is 1980 SEA L&C.	
STATE OF UTAH		COORDINATE SYSTEM IS NAD83 STATE LOCAL.	
10/05 PHASE II BOND RELEASE		INTERVAL AND FINAL REGULATION TEMPORARILY DESIGNED AND DEVELOPED BY G. MARSH ENGINEERS, INC., 1990-1991.	
REVISION		COMPLIANCE THROUGH DESIGN AND DEVELOPMENT MODIFIED AND IMPROVED BY KATHYNA ENGINEERING, INC.	
DATE		NOTES	
SCALE: 1"=50'-0"		DATE	
DRAWN: B.A. CRIMES		10-25-06	
CHECKED: B.A. CRIMES		10-25-06	
APPROVED: B.A. CRIMES		10-25-06	
DATE: 10/05		DATE: 10/05	
JOB NO. 304.01.100		DWG NO. III-2D	
PHASE III BOND RELEASE AREAS		HORSE CANYON MINE	
BANKS, ALLEN & LUCE, INC.		Engineers	
3000 Canyon Blvd., Suite 200 - PRICE, UTAH 84501			

UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

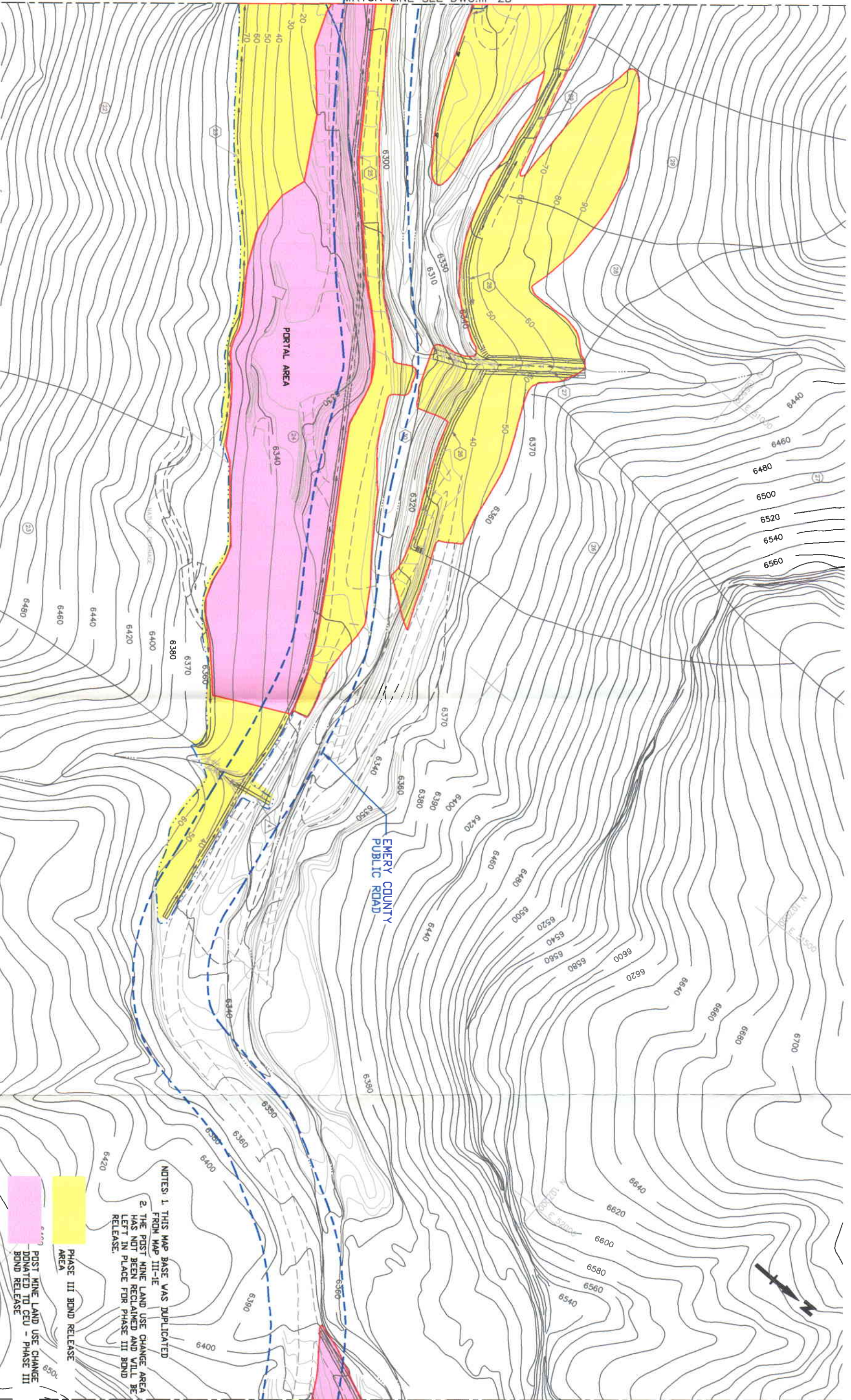
NOTES: 1. THIS MAP BASE WAS DUPLICATED FROM MAP III-1D.
2. THE POST MINE LAND USE CHANGE AREA HAS NOT BEEN RECLAIMED AND WILL BE LEFT IN PLACE FOR PHASE III BOND RELEASE.

NOTE: THIS MAP BASE WAS DUPLICATED FROM MAP III-1D

PHASE III BOND RELEASE AREA

POST MINE LAND USE CHANGE DONATED TO CEU - PHASE III BOND RELEASE

MATCH LINE SEE DWG.III-2D



MATCH LINE SEE DWG.III-2F

NO.	DATE	REVISION
1	10/05	PHASE II BOND RELEASE
2	10/05	PHASE II BOND RELEASE
3	10/05	PHASE II BOND RELEASE
4	10/05	PHASE II BOND RELEASE
5	10/05	PHASE II BOND RELEASE
6	10/05	PHASE II BOND RELEASE
7	10/05	PHASE II BOND RELEASE
8	10/05	PHASE II BOND RELEASE
9	10/05	PHASE II BOND RELEASE
10	10/05	PHASE II BOND RELEASE
11	10/05	PHASE II BOND RELEASE
12	10/05	PHASE II BOND RELEASE
13	10/05	PHASE II BOND RELEASE
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96	10/05	PHASE II BOND RELEASE
97	10/05	PHASE II BOND RELEASE
98	10/05	PHASE II BOND RELEASE
99	10/05	PHASE II BOND RELEASE
100	10/05	PHASE II BOND RELEASE

UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

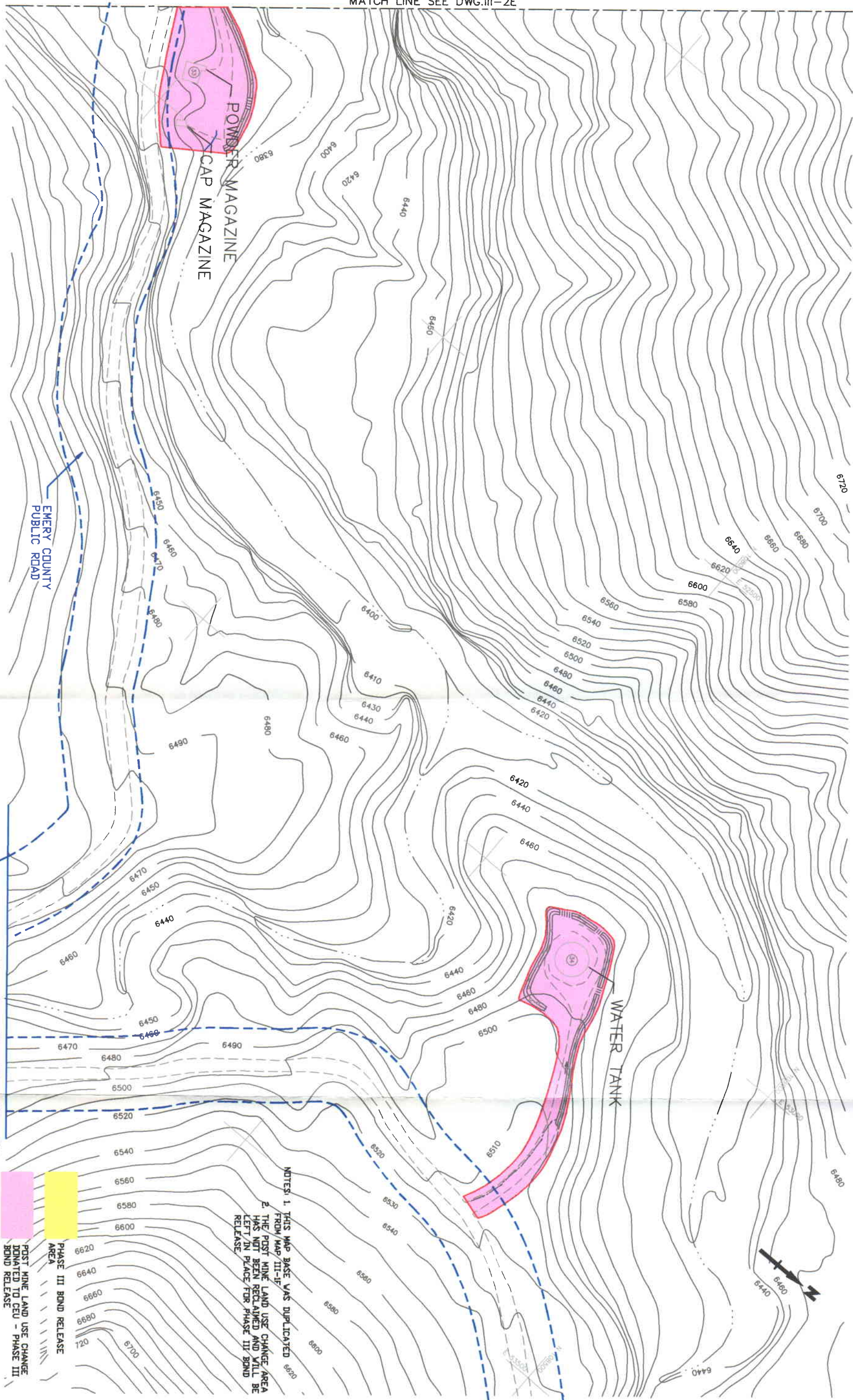
PHASE III BOND RELEASE AREAS
HORSE CANYON MINE

FOR ADDITIONAL LEGEND SEE PLATE A-1, VOL. 3.
TYPED BASED ON 1988 AERIAL PHOTO BY WEST MOUNTAIN TECHNICAL SERVICES, INC. OF GRAND JUNCTION, COLORADO.
DATA IS 1988 SEA LEVEL.
CONTOUR INTERVAL IS 20 FEET STEEL LOCAL.
INTERIOR AND PERIMETER TEMPORARILY DESIGNED AND DEVELOPED BY G.F. KASPER ENGINEERS, INC. 1980-1991.
COMPLIANCE TEMPORARILY DESIGN AND DEVELOPMENT MONITORING AND PREPARED BY KASPER ENGINEERS, INC.

SCALE	1"=50'-0"	DATE
DESIGNED	B.A. GRIMES	10-28-95
DRAWN	B.A. GRIMES	10-28-95
CHECKED	B.A. GRIMES	10-28-95
APPROVED	B.A. GRIMES	10-28-95
DATE	10-28-95	

BLANKEN, ALLEN & LUTCH, INC.
2000 N. 1000 E. 1000 S. - PRICE, UTAH 84501

MATCH LINE SEE DWG.III-2E



NOTES: 1. THIS MAP BASE WAS DUPLICATED FROM MAP III-1F.
2. THE POST MINE LAND USE CHANGE AREA HAS NOT BEEN RECLAIMED AND WILL BE LEFT IN PLACE FOR PHASE III BOND RELEASE.

PHASE III BOND RELEASE AREA
POST MINE LAND USE CHANGE DONATED TO CEU - PHASE III BOND RELEASE

NO.	DATE	REVISION
1	7/26	ADDED COUNTY ROAD
2	10/20	PHASE II BOND RELEASE



1. FOR ADDITIONAL, SEE PLATE V-3, VOL. 3.
2. THIS MAP IS BASED ON 1988 AERIAL PHOTO BY AERIAL PHOTOGRAPHIC SERVICES, INC. OF GRAND JUNCTION, COLORADO.
3. DATUM IS 1983 SEA LEVEL.
4. COORDINATE SYSTEM IS UTM ZONE 12N.
5. MINIMUM AND MAXIMUM ELEVATION IS 6380 FEET AND 6720 FEET.
6. COMPILED BY: B.A. GRIMES, INC. 1988-1991.
7. CONSULTANT: TERRACON DESIGN AND DEVELOPMENT INCORPORATED AND PROVIDED BY TERRACON ENGINEERING, INC.

SCALE	1"=50'-0"	DATE
DESIGNED BY	B.A. GRIMES	10-20-90
CHECKED BY		
APPROVED BY		
DATE		

UTAHAMERICAN ENERGY, INC.
P.O. BOX 986, PRICE, UTAH 84501

BEAUSON, ALLEN & LUTCH, INC.
300 N. GARDEN AVE., SUITE 200 - SALT LAKE CITY, UTAH 84111
PHASE III BOND RELEASE AREAS
HORSE CANYON MINE
JOB NO. 304.01.100
DWG. NO. III-2F

Appendix III-1-7

**UDOGM Phase III Bond Release Application
Review Comments Letter Dated June 5, 2006**



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 5, 2006

Jay Marshall, Resident Agent
UtahAmerican Energy, Inc.
P.O. Box 986
Price, Utah 84501

Subject: Phase III Bond Release UtahAmerican Energy, Inc., Horse Canyon Mine,
C/007/0013, Task ID #2409, Outgoing File

Dear Mr. Marshall:

The above-referenced amendment has been reviewed. There are deficiencies that must be adequately addressed prior to approval. In order for us to continue to process your application, please respond to these deficiencies by July 7, 2006.

The deficiencies are as follows:

- R645-301-762.100** The Permittee must reconstruct the Refuse Pile channel to meet the standard for a 100 yr-24 hr precipitation event prior to receiving Phase III bond release.
- R645-301-880.130**, The Permittee must include a notarized statement that certifies that all applicable reclamation activities have been accomplished in accordance with the requirements of the R645-Rules.
- R645-301-880.120**, The Permittee must state in the newspaper advertisement the type of bond, such as surety, letter of credit or collateral and describe the 6.5-acre area and the 0.02-acre area. The Permittee must state in the letters sent to adjoining property owners and government agencies • the correct acreage (the letters state that 51.56 acres are scheduled for bond release instead of 74.26 acres), • that bond release will occur on four subareas and what those subareas are, • the location of the property, • a description of the results achieved during reclamation and • that the recipient can submit objections to a request for a public hearing or informal conference to the Division.
- R645-301-121.100**, The Permittee must include information in the bond release package that discusses the 6.5-acre area and 0.02 acre area. The Permittee must provide documentation that the 6.5-acre area was

not disturbed in the past ten years or that the areas or subareas meet the requirements for Phase I and Phase II bond release. The Permittee must also provide documentation that the 0.02-acre has an alternative postmining land use.

R645-301-412.100, The Permittee must include detailed information in the bond release package about the postmining land use and how it will be achieved. The Division needs specific information on the 6.5-acre area and the 0.02-acre area. In addition, the Permittee did not include information on the road that was deeded to the County. Even though the transfer took place bond release on the road must take place.

R645-301-542.620, The Permittee must show that the bridge abutments are part of the postmining land use.

R645-301-553.100, The Permittee must include detailed information in the bond release package about how the 6.5-acre area and the 0.02-acre area met the AOC requirements.

R645-301-880.310 and R645-301-880.320, The Permittee must show how they met all of the requirements for Phase I and Phase II bond release on the 6.5 acre area that was not part of the Phase I and Phase II bond release.

R655-301-542.710 and R645-301-551, The Permittee must include a narrative that states how all underground openings including the portals were permanently seal unless they were needed for the postmining land use.

R645-301-542.600, The Permittee must include a narrative of which roads were retained, and which roads were reclaimed and how each effort met the regulatory requirements. For example, the Permittee must state how the main mine road was deeded to the County. Unless the County road was given Phase III bond release then the Permittee must include that area in the Phase III bond application.

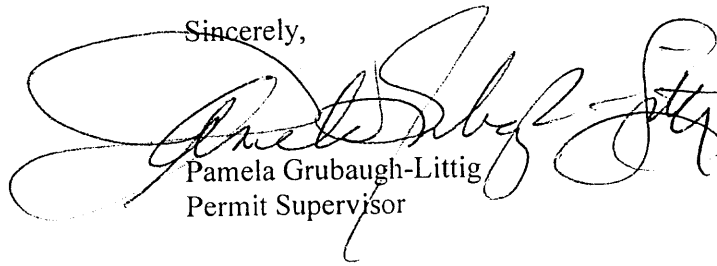
R645-301-542.200 The Permittee must include as built maps and cross sections for the areas that were no part of the Phase II bond release.

R645-301-542.320 The Permittee must label and show all surface and subsurface manmade features that they will leave at Phase III bond release.

Page 3
Jay Marshall
June 5, 2006

If you have any questions, please call me at (801) 538-5268 or
Wayne Western at (801) 538-5263.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Pamela Grubaugh-Littig', written over the printed name and title.

Pamela Grubaugh-Littig
Permit Supervisor

an
cc: Price Field Office
O:\007013.HOR\FINAL\WG2409\DefLetter2409.doc

Appendix III-1-8

Reclamation Certification



UtahAmerican Energy, Inc.

Horse Canyon Mine
ACT/007/013

Re: Phase III Bond Release Horse Canyon Mine ACT 007/013

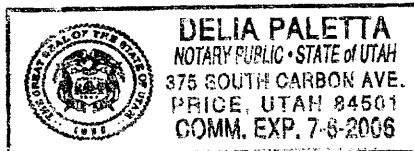
I hereby certify to the best of my information and belief all the information contained in this request for bond release is true and correct and that all applicable reclamation activities have been accomplished in accordance with the requirement of the Act, the regulatory program and the approved reclamation plan.

R. Jay Marshall

R. Jay Marshall Vice President 7/5/06
Sign Name, Position, Date

Subscribed and sworn to before me this 5th day of July, 2006

Delia Paletta
Notary Public

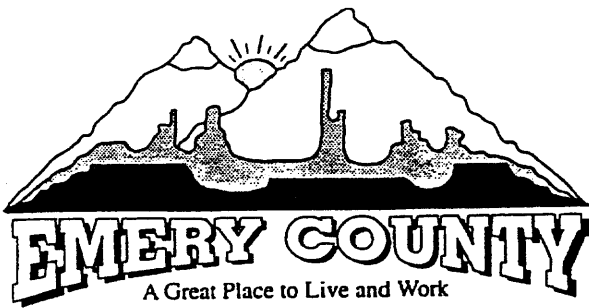


My Commission Expires: 7-8-2008, 2008

Attest: State of Utah
County of Carbon

Appendix III-1-9

**0.02 Acres - Emery County Bridge Abutments -
Emery County Roads Department Letter**



Road Department

February 26, 1996

Mr. William W. Engles
Coal Supply Engineer
Intermountain Power Agency
City of Los Angeles
Department of Water and Power
111 North Hope Street, Room 1107
Los Angeles, California 90012

RE: Ownership of the Horse Canyon Bridge

Dear Mr. Engles:

In October 1995, Emery County entered into a Special Warranty Deed and Dedication Agreement with the Intermountain Power Agency in which Emery County assumed the right and title to the Range Creek Road right-of-way through Horse Canyon. It is Emery County's understanding that the right-of-way includes all structures within the legal description of the property. The structures within the right-of-way also include the bridge that spans Horse Canyon Creek within the mine area.

If you have further questions concerning this matter, please feel free to call me at (801) 381-5450.

Sincerely,

Rex Funk
Emery County Road Supervisor

cc: Kent Petersen, Commissioner
Bevan Wilson, Commissioner
Randy Johnson, Commissioner
Emery County Special Service District #1

13.96

RECEIVED

MAR 1 - 1996

COAL FUEL SUPPLY